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TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
BLOG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

**TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA**

September 14, 2005 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

Gavin Newsom, Mayor

DIRECTORS

Claudine Cheng, Chair
Susan Po-Rufino, Vice-Chair
Jesse Blout
Jared Blumenfeld

John Elberling
Matthew Franklin
Marcia Rosen
Supervisor Chris Daly (*ex-officio*)

Tony Hall, Executive Director
Peter Summerville, Commission Secretary

DOCUMENTS DEPT.

SEP - 9 2005

SAN FRANCISCO
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ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Report by the Executive Director (*Discussion Item*)
 - Public use, events and activities on Treasure Island
 - Commercial leasing
 - Bay Bridge/Caltrans/State issues
 - Treasure Island community news and issues
 - Legislative issues
 - Financial/Budget
 - Status of negotiations with U.S. Navy
 - Status of master development planning process
 - Requests for information by Directors
3. Report by Mayor's Office of Base Reuse and Development (*Discussion Item*)

4. Communications (*Discussion Item*)
 5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
 6. Ongoing Business by Directors (*Discussion Item*)
 7. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.***
-

8. **CONSENT AGENDA**

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

- a.) Approval of Minutes of July 13, 2005 Regular Meeting (*Action Item*)
 - b.) Resolution Authorizing the Executive Director to Enter into a Month-to-Month Sublease with Goodwill Industries of San Francisco, San Mateo and Marin Counties Up to September 15, 2006, for the Use of a Portion of the Building 7 Parking Lot. (*Action Item*)
-

9. Resolution Authorizing the Executive Director of the Treasure Island Development Authority to Take All Actions Necessary to (1) Establish the Authority as the Employer of Record of All Authority Staff, (2) Negotiate a Short-Term Extension of the Agency Agreement with the San Francisco Redevelopment Agency on a Month-To-Month Basis Not to Exceed Three Months, and (3) Effectuate a Roll-Over of Existing Authority Staff from the San Francisco Redevelopment Agency to Direct Employment at the Authority (*Action Item*)
10. Authorizing the Executive Director to Enter Into a Month-to-Month Extension of the Agency Agreement between TIDA and the San Francisco Redevelopment Agency Not to Exceed Three Months. (*Action Item*)
11. General Procedures and Standards for the Performance Evaluation of the TIDA Executive Director (*Discussion and possible Action Item*)
12. Performance Evaluation of TIDA's Executive Director, Mr. Tony Hall. (*Action Item*)
 - a. Public comment on all matters pertaining to this item.
 - b. Vote on whether to hold a Closed Session to consider the performance evaluation of TIDA's Executive Director, Mr. Tony Hall, pursuant to

California Government Code sec. 54957(b) and San Francisco Administrative Code sec. 67.10(b). (*Action Item*)

c. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: TIDA's Executive Director, Mr. Tony Hall. (*Action Item*)

d. Reconvene in Open Session

i. Vote to elect whether to disclose any or all discussions held in Closed Session, pursuant to San Francisco Administrative Code sec. 67.12(a). (*Action Item*)

ii. Disclosure of actions taken in Closed Session required under the Brown Act and/or Sunshine Ordinance, pursuant to California Government Code sec. 54957.1(a)(5) and San Francisco Administrative Code sec. 67.12(b)(4).

13. Annual Salary Review of TIDA Executive Director, Mr. Tony Hall. (*Action Item*)
14. Making Emergency Findings, Ratifying Executive Director's 30-day Extension of Refuse Collection Contract, and Authorizing an Additional Extension of Such Contract with Golden Gate Disposal & Recycling Company to January 31, 2006 (*Action Item*)
15. Authorizing the Disbursement of EDA Grant and Other Funds Totaling an Amount Not to Exceed \$337,500.00 to the Department of Public Works of the City and County of San Francisco to Pay for Geotechnical and Other Civil and Structural Engineering Services to Study the Design and Seismic Strengthening of the Treasure Island Causeway (*Action Item*)
16. Authorizing the Executive Director to enter into the First Amended and Restated Exclusive Negotiating Agreement with Treasure Island Community Development, LLC for the Redevelopment of Former Naval Station Treasure Island (*Action Item*)
17. Resolution Directing Staff to Create a Draft Request for Qualifications for Design and Standard Internet Service Provider Services for an Independently Hosted Treasure Island Development Authority Website (*Action Item*)
18. Resolution Directing Staff to Formulate Criteria Necessary for Selection of an Internet Service Provider and Website Design Contractor for the Purposes of Redesigning the Treasure Island Development Authority Website (*Action Item*)
19. Discussion of Future Agenda Items by Directors (*Discussion Item*)
20. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

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Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Ms. Destro or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>



TIHDI

Treasure Island Homeless Development Initiative



September 6, 2005

Tony Hall, Executive Director
Treasure Island Development Authority
410 Palm Ave., Bldg. 1
San Francisco, CA 94130

Dear Tony:

We are writing this letter to affirm & acknowledge the positive and productive working relationship between TIHDI and you and your staff at TIDA. Your staff has been a pleasure to work with and as you know, it is necessary for TIHDI & TIDA to work closely on many different fronts: fiscal & contract management, sublease management, community services, employment opportunities and community development issues -- in order to be effective in the civilian reuse of Treasure Island. Your staff has been accessible and responsive on all of these issues and we appreciate their work and genuine commitment to making TI a great place for all San Franciscans.

We have truly created good, effective working relationships between our staffs which has lead to positive results. TIHDI continues to appreciate the inclusive and supportive tone that has been established

Sincerely,


Sherry Williams
Executive Director

THE
JOHN STEWART COMPANY1388 Sutter Street, 11th Fl.
San Francisco, CA 94109-5427415 346.4400
FAX 614.0175
www.jsco.net

September 6, 2005

Claudine Cheng
President & Chair
Treasure Island Development Authority
410 Avenue of the Palms, Building 1, 2nd Floor
San Francisco, CA 94130



Subject: Kudos

Dear Claudine,

In the interest of quashing the adage, "good news travels slowly" I've made it a point from time to time to put pen to paper as it were and offer up some kudos for jobs well done. When Tony Hall and his staff assumed new duties on the Island last year they were confronted by a steep learning curve. They set about getting to know the history of each neighborhood and building, plus the physical infrastructure. Then there was the administrative infrastructure of leases, subleases, and contractor services and the like, which they promptly tackled. Finally, the team has always been accessible when problems have arisen needing quick resolution. The purpose of this letter is simply to say that working with Tony and his staff - Marc McDonald, Frank Gallagher, and John Farrell - has been both a pleasure and positive professional experience. I'd be remiss if I didn't also remember the ancien regime who continue to do good work, more specifically Lori Mazzola and Frishtah Afifi.

Best Regards,

John K. Stewart
Chairman

Cc: Tony Hall

[illegible]

Tel: 415-834-0641 Fax: 415-834-0841

Glide



September 6, 2005

TIDA Board of Directors
410 Avenue of the Palms
San Francisco, Ca 94130

Dear President Cheng,

I just wanted to write a letter of support and gratitude for Executive Director Hall and the TIDA Staff. As you know, our program the Glide Youth Build Training Center is home to over forty of our students. This program helps young adults move from poverty to economic independence and fosters understanding between neighborhoods that have been feuding for years.

Since we have been tenants on Treasure Island, TIDA staff has been very responsive to our needs and concerns. Additionally, we are excited to actually partner with TIDA staff on improving some of the dilapidated buildings on the island and look forward to our continued relationship with TIDA.

If you have any further questions about the quality performance of Tony Hall and his staff, please do not hesitate to give me a call at (415)674-6003.

Sincerely,



Janice Mirikitani
Executive Director

Treasure Island Community Development, LLC

One Ferry Building, Suite 350
San Francisco, CA 94111
T: 415-403-0280/F: 415-955-1101

September 7, 2005



Via Hand Delivery

Claudine Cheng, Chairperson
And Fellow Commissioners
Treasure Island Development Authority
Building One, 2nd Floor
410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130

Dear Ms. Cheng:

We would like to take this opportunity to acknowledge the efforts of Executive Director Tony Hall, his staff, and the Mayor's Office of Base Closure and Economic Development for their hard work and success over the last year. During the last year, significant progress has been made towards the redevelopment of Treasure Island--the State Lands legislation was signed into law, the Environmental Impact Report for the transfer of TI and YBI was certified, the FOST for both TI and YBI have been issued, productive meetings have occurred with the CAB and the public, and several meaningful discussions have taken place with the U.S. Navy on the final transfer of TY and YBI. All of these events have been essential to the success of the development of Treasure Island and all were the product of the collective efforts of the TIDA Executive Director and staff and the Mayor's Office.

On behalf of Treasure Island Community Development, let me state that we look forward to working with you and your fellow Commissioners, TIDA Executive Director Tony Hall and his staff, the Mayor's Office of Base Closure and Economic Development, the TI/YBI Citizens Advisory Board and the public in the years ahead as we continue to work together on making the development of Treasure Island an important piece of the future of San Francisco.

Very truly yours,


Jay Wallace

Project Manager

Treasure Island Job Corps Center

655 H Avenue, Bldg. 442
Treasure Island
San Francisco, California 94130

phone: 415.277.2400
fax: 415.705.1776

TIDA Board of Directors
410 Avenue of the Palms
San Francisco, CA 94130



September 7, 2005

Dear President Cheng,

As members of the Island Partners, this letter is being written in support of Executive Director Tony Hall and the TIDA Staff. The Treasure Island Job Corps Center, operated by ResCare Inc. for the Department of Labor, offers qualifying young adults vocational & academic training in a supportive and safe environment, completely free of charge. We train a maximum of 800 students, 90% are residents, year round.

Our nearly 300 staff facilitates and maintains our daily operations twenty-four hours a day seven days a week. We appreciate the TIDA staff's responsiveness to our concerns and constant support to our trainees and program. Treasure Island Job Corps participates not only in the Island Partners meetings, but also in the monthly community meetings as well as Island events. We provide the only evening dining on the island as well as lunch that is open to the public. We have also extended our cafeteria services to Swords-to-Plowshares participants daily.

We appreciate our ongoing relationship with Tony Hall and the TIDA staff; we look forward to future endeavors.

Best Regards,

Melanie Radford
Center Director
Treasure Island Job Corps Center

Building Lives • Reaching Potential

www.rescare.com

Operated by ResCare for the Employment & Training Administration - U.S. Department of Labor
An Equal Opportunity Employer



Treasure Island Gym
Catholic Charities CYO



Tel 415 765-9037 Fax 415 765-9040
402 Avenue "I"
Treasure Island
San Francisco, CA 94130


To Whom It May Concern:

I would like to take time out to thank Tony Hall and his staff for all the work they have done for and with our Treasure Island Gym/Catholic Charities CYO Program.

This was the first full year of programming for the TI Gym and we could not have done the things we did this year with out the assistance we received from Tony Hall and his staff.

This year we were able hold a Youth Basketball league, Adult basketball league, Table Tennis Tournament, a Youth March Madness Basketball Skill Contest and we were able to take 20 kids out to a Giants game, thanks in large parts to the contacts that Tony and his staff provided.

So I would like to say once again thank you to Tony Hall and his staff for all the help that they gave us this year. In a time when agencies are doing "JUST ENOUGH" to help out, it is really special to be working with a group of people who take the extra step to do what people really want and need.



Ron Jackson
Recreation Director
Treasure Island Gym/ Catholic Charities CYO



TREASURE ISLAND SAILING CENTER
Launching Point for New Horizons



September 7, 2005

Commissioners
Treasure Island Development Authority
400 Avenue of the Palms
San Francisco, Ca 94130

Dear Commissioners and Members of the Treasure Island Development Authority,

On behalf of the Treasure Island Sailing Center Foundation, I would like to thank you for your support this past year. The Treasure Island Sailing Center had an amazing year thus far, with over 200 youth in various spring programs, and 850 youth in our summer program. The children represent various communities in San Francisco. This large increase in programs and numbers of children served is very much due to your support of the increased space allowance, your support of our program at our main event -the Sailors Bash, and your assistance in coordinating us with other programs on the island who can utilize our services. Your support is certainly well noticed with our primary financial supporters, which was evident in the increase in grants and scholarship aid after the Sailors Bash. We have even been able to start a TISC Youth Racing Team which is bringing kids all over the bay area to race sailboats, meet other children and have experiences beyond their neighborhood.

It has been a pleasure to work with you all, and I thank you for your support of this project. We look forward to continuing to improve our services for the community with your support.

Sincerely,


Carisa Harris

President

Treasure Island Sailing Center Foundation
415.640.0563
Carisa.harris@tisailing.org

PIER 12, CLIPPER COVE

2723 BALBOA STREET, FIDBIE
SAN FRANCISCO CA 94131

September 12, 2005

Treasure Island Development Authority
410 Avenue of the Palms
San Francisco, Ca 94130



Dear Board of Directors:

As the Police Sergeant of Treasure Island Substation I wanted to acknowledge Tony Hall and his staff for their efforts and dedication to making Treasure Island a better and safer place for those who live and work here. I look forward to our continued partnership as we near redevelopment.

Sincerely,

Sergeant Michael Gallegos

JOANNE HAYES-WHITE
CHIEF OF DEPARTMENT

GAVIN NEWSOM
MAYOR

GARY P. MASSETANI
Deputy Chief of Administration



SAN FRANCISCO FIRE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

September 7, 2005

Honorable Claudine Cheng
President/Chair
Treasure Island Development Authority
410 Avenue of Palms
Treasure Island
San Francisco, CA 94130



Dear Ms. Cheng:

On behalf of Chief of Department Joanne Hayes-White and the San Francisco Fire Department, I would like to acknowledge Executive Director Tony Hall, Chief Financial Officer John Farrell, and Facilities Manager Marc McDonald.

Under the direction of Mr. Tony Hall, Mr. Farrell and Mr. McDonald worked in collaboration with our Finance Division to develop the Lease Agreement for the Training Facility and the fire service work order between our agencies. It was our pleasure to work with such knowledgeable and professional employees.

You are very fortunate to have such dedicated employees on your staff. I look forward to continuing to work collaboratively to better serve the citizenry of Treasure Island and the City and County of San Francisco proper.

Sincerely,


Gary Massetani
Deputy Chief of Administration

Cc: Mr. Tony Hall, Executive Director

EMILY S. RAPAPORT



- 1109-C
- Keppler CT
- San Francisco,
California 94130
- erapaport@aol.com

September 8, 2005

Treasure Island Development Authority Board of Directors
c/o Peter Summerville
410 Avenue of the Palms, Building 1, 2nd Floor
San Francisco, CA 94130

Dear Ms. Cheng and Board Members,

As co-chair of the San Francisco Islands Community Association, I am writing this letter on behalf of the SFICA Board and residents of Treasure Island. On behalf of my fellow residents, and board members, I want to express our fullest support for TIDA and its staff, in its current independent form. We want to make it clear to you all, that we feel it is absolutely imperative that TIDA remain an independent entity and not become a part of the Redevelopment Agency.

We are an Island Community and as such we face daily, and unique problems, with which other city residents do not have to contend. Let me assure you that TIDA cannot be replaced by the Redevelopment Agency, nor are there any overlapping of staff or of services, and in the long run "turffing" TIDA out to another agency will not in the long run save San Francisco any money.

Up until the Mayoral appointment of Mr. Hall, the past directors of TIDA and its staff never made any credible attempt in helping the residents living on the Island. Their attitude was, 'let us collect the rents, give them less than

basic services' and then tell them in not so polite terms to get lost.

Because of the Bay Bridge, Emergency Services are a constant concern for the residents. We have had issues with the lack of Police and Fire services, their response time to calls, their complete lack of knowledge of the layout of the Island. It was the TIDA staff and SFICA that addressed these issues with those city departments and got good results.

In the past year TIDA has organized several community clean-ups in conjunction with Golden Gate Refuse and has asked for and gotten larger waste bins for the residents on the Islands, improved our ability to recycle waste. Because of the TIDA staff we now have weekly Friday clean-ups with the Community Association. They have taken very seriously the matter of fire safety by having the grass cut in abandoned areas of the island. They brought 'Goats Are Us' to Yerba Buena Island to clear off dead grass. This was a creative, money saving and green way to clean up that area.

We lack jobs and industry out on the islands and TIDA has brought other agencies to help bring employment opportunities to our community by working with Jose Cisneros on the Working Tax Credit Program. The above brings in revenues to the City and Island now.

DPW is now responsive to our needs. Our street lights now work, graffiti, and vandalism of abandoned buildings are promptly taken care of. Roads collapsing on Yerba Buena have been rebuilt. Stop signs in dangerous intersections have been replaced and road striping repainted.

If Tony Hall, and the staff that he assembled upon his arrival were not here, the community would have been left totally in the dark about the disruptions and access issues concerning the Bay Bridge retrofit. If not for the hard work of the TIDA staff there would most likely be no contingency plan in place for emergency services for the residents on the Island during bridge closures.

DJ Canepa made certain that all of the residents were made aware of the tsunami warnings, and on two or three occasions he has been at City Hall and called me and several other residents, because he had heard that there were emergency vehicles seen running on the island. He is concerned for the well being the Island and its residents. He has been a tireless advocate for business and moneymaking ventures on the Island, as has Maryanne Thompson. She created the Island Partners Group that consists of all commercial tenants, SFICA and various island agencies. She is working with SFICA to create community-building projects for the Island Community.

The TIDA staff worked hard to save the schools, and we are now working toward bring a charter middle school to the island next year that the entire city will be proud of.

All of the activities that I have mentioned (and the twenty or so that I have not listed) may seem to you as expenditures that will ultimately be bulldozed into oblivion, because of the redevelopment. But let me assure you that all of what has been done on behalf of the community now will pay off when the new community is built. We residents plan on being here then, and moving into the new homes that are to be built. Life on Treasure Island has improved tenfold since Tony Hall was given charge of TIDA. He and the staff that he brought to Treasure Island with him, has shown a commitment to the improvement of life on the Island that is nothing short of remarkable. Under the current system, TIDA has made life better for all of us on the island now, and is helping us become a community that is not only looking forward to the redevelopment of the island, but is actively working toward it.

Sincerely,

A handwritten signature in dark ink, appearing to read "Emily S. Rapaport". The signature is fluid and cursive, with the first name "Emily" being more prominent.

Emily S. Rapaport

Co-Chair SFICA

Susan DeVico
1133 G Mason Court, Treasure Island
San Francisco, CA 94130

susandv@aol.com
(415) 434-8220

September 7, 2005



Dear Treasure Island Development Authority Commissioners:

I'm just writing to let you know what you a remarkable improvement that we've all seen on Treasure Island in the year since new the administration –led by Tony Hall and his deputies– has begun working at the Treasure Island Development Authority.

Mr. Hall and the dedicated professionals that he's brought on board –especially DJ Canepa– have proven time and again what incredible assets they are to this unique neighborhood, Yerba Buena & Treasure Island residents, and the entire T.I. community.

There are so many examples of TIDA's accelerated responsiveness and follow-through in the year since Mr. Hall came to T.I.; here a just a few of the many examples that leap to mind:

-The physical plant of the Island is now very well-maintained, and is in far better condition than it ever was prior to the new Administration's installment in 2004.

-TIDA is now incredibly responsive to residents and their concerns. This was not the case before under the previous administration of the Authority.

-Since Mr. Hall's arrival at TIDA, the Authority has strengthened the monthly community meetings. The status and functioning of these gatherings has improved immensely; they are now very well-structured and solution-focused. Community meetings, thanks to DJ Canepa and Mr. Hall, are actually constructive forums – and a terrific opportunity to interact with a wide variety of businesses, NGOs, State and municipal agencies (e.g., SFPD, CalTrans, SF City Treasurer, MUNI, Comcast, SFUSD, Boys & Girls Club, etc.)

-TIDA took a thoughtful, considered and compassionate stand – and worked with Island residents to prevent the closure of the very much-needed Kindergarten thru 5th grade T.I. elementary school.

-TIDA has actively worked to connect unemployed and under-employed Island residents with jobs. They're successfully working with interested Island entrepreneurs to help them realize their business and professional goals – in ways that are simultaneously helping to ensure that the Island's needs are met. (e.g., the bike repair clinic).

-TIDA –Mr. Canepa and Mr. Hall– derived an innovative, sustainable and environmentally-friendly way of saving money, by having scores of goats clear an overgrowth of fire-prone, hazardous brush on the steep slopes of Yerba Buena Island.

Here's micro anecdotal example that will give you a sense of the new TIDA Administration's commitment to the Island:

One Saturday evening, I left a TIDA principal a message on his office voicemail to alert him to the fact that the stop sign on the T.I. off ramp had been flattened – and was not clearly visible to drivers coming onto the Island (especially in the dark) via curved ramps that converge. I was pleasantly surprised –stunned actually– when my call, asking for TIDA to take action to ensure Island safety, was returned within 15 minutes. Again, this was on a SATURDAY evening. My voicemail message was acknowledged 15 minutes after I left it. Details regarding the location of the broken stop sign were confirmed, and the repair and replacement of the broken stop sign was addressed straight away.

We're very fortunate to have Mr. Hall here, and other key TIDA staffers, especially DJ Canepa, that he's brought on board.

Thank you for appointing Mr. Hall's as TIDA's executive director, so that he and the impressive team of hardworking individuals he's put in place can continue to serve this unique community.

We all really appreciate TIDA Commission's continued attention, concern and commitment to the quality of life on T.I., and your support of responsible, responsive leadership and administration— which Mr. Hall and his deputies are delivering.

Best regards,



Susan DeVico
Treasure Island
San Francisco, CA
(415) 434-8220

September 8, 2005

T.I.D.A. Board
410 Avenue of the Palms
San Francisco, CA 94130



T.I.D.A. Board:

As a two-year resident of Treasure Island, I feel compelled to write a letter of strong support for the Treasure Island Development Authority (T.I.D.A.). The members of this organization have become an invaluable resource, as well as an integral part of this community. Because members are based on the island and are very involved with all of the residents here, they have a unique understanding of the needs and issues of our eclectic community.

For example, dog owners in our community have requested a designated dog park on the island. Working through T.I.D.A. staff, we were able to identify an appropriate location and are working out the details to establish a designated area for residents' animals to exercise safely!

The T.I.D.A. staff has worked tirelessly with both the police and fire departments to improve safety, security, and response time on the island. T.I.D.A. staff also are working with Safeway.com to set up a "no fee" delivery service in response to resident's requests for improved access to food and sundries. This is a *critical issue* to residents who do not have cars, especially the island's many low-income residents.

T.I.D.A. staff are never more than a phone call away, even on nights and weekends. Members attend and contribute to the community meetings and get involved...even to the extent of picking up garbage during their lunch hours.

I cannot praise and thank all of the T.I.D.A. staff enough for their hard work in support of Treasure Island residents.

Sincerely,



Suzanne Foster
1108 Halyburton Court

TIDA
410 Avenue of the Palms
San Francisco, Ca 94130



Dear TIDA,

First of all I wanted to thank Tony Hall and his staff for the wonderful job they have done in improving Treasure Island. Yes, we have noticed the changes and we are very pleased.

A handwritten signature in cursive script that reads "Lorraine Damante".

Lorraine Damante

TIDA
410 Avenue of the Palms
San Francisco, Ca 94130

Dear TIDA,

Sal Damante



Treasure Island Development Authority
410 Avenue of the Palms
San Francisco, Ca 94130

Dear T.I.D.A.:

As a resident of Treasure Island for five years, I had my first child here on Treasure Island. This place is my home and I care very much for this community. Through my difficult times with substance abuse I have stay cleaned for eight and a half years. I have seen Treasure Island at the worst of times and I am now seeing Treasure Island grow to become a beautiful island with different communities coming together as one. I am thankful to live on this island raising my three children and I am thankful for the responsiveness which TIDA has shown under the leadership of Tony Hall.

God Bless

Melanie Williams
1244 G Northpoint Dr.

Treasure Island Development Authority
410 Avenue of the Palms
San Francisco, Ca 94130



Dear President Cheng,

Treasure Island is my home and I am happy to be a part of this community. I have seen the drastic changes which have happened as result of the leadership of Tony Hall and the "new" TIDA staff.

In years past, we were a community ignored. Now we are a community who is finding its voice and an agency such as TIDA who sincerely cares about the people at Treasure Island. I urge you to allow TIDA to be an independent agency. Treasure Island is a unique community and requires strong leadership.

Best,

Rebecca Richardson

Rebecca Richardson

Donald W. Hughes
1217F Mariner Drive
San Francisco, CA 94155



September 8, 2005

Board of Directors
410 Avenue of the Palms, Building 1, 2nd Floor
San Francisco CA 94130

To Whom It May Concern:

The purpose of this letter is to commend the staff of the of the Treasure Island Development Authority for their continuing and effective efforts to improve the quality of life for the residents of the Islands and to make the Islands a more enjoyable place for both the resident and for the many visitors, from near and far, who come to the Islands each day. Under the leadership of Tony Hall, and the knowledgeable and highly professional staff he has assembled on the Island, there have been demonstrable improvements in the appearance of the Islands and infrastructure during the last year. It only takes a short walk around the Islands to see the results of the neglect of prior TIDA administrations and what that neglect has done to the Islands, especially in the residential and common areas.

In the past, when residents brought up issues related to maintenance in and around the residential and common areas, little if anything was done to correct problems in a timely manner. Trash, old furniture and other items would lay uncollected for months at a time. Other issues related to safety and security on the Islands met with similar responses. Now, these issues are being addressed by TIDA, and in turn by other entities on the Islands, because TIDA is exerting the management required to accomplish the job.

The Hall administration, and especially Mr. D. J. Canepa, has been identifying and addressing several other issues of concern to residents in a very efficient and effective manner. Currently, Mr. Canepa is working with the San Francisco Fire Department to negotiate the return of the EMS unit to the Islands. This EMS unit was removed from the Islands with no notification to TIDA or to the residents. Now, in an emergency situation, EMS services must travel to the Islands from some point within the City, determined by the availability of a unit when the call is taken. Hopefully, the unit won't be halfway across town, during commute hours, when emergency services are needed.

In addition, Mr. Canepa is addressing several additional issues directly related to the safety and security of the residents, commercial entities and the physical plant on the Islands. One such issue is the deep cut in the SFPD presence on the Islands and the inherent danger of this situation presents. Quite often there is only a single officer on patrol on the Islands and in emergency situations, that officer must call for backup from the City. The delay of prompt backup in such situations is not only dangerous for the officer, but for the residents and property he or she is trying to protect.

This issue may, however, be a moot point when one considers that the 911-dispatch policy is not to accept an emergency call from the Islands unless the caller knows the address of the incident. The current situation on the Islands, such as missing buildings, missing building numbers, missing street signs, duplicate street names, the layout of the Islands and the current dispatch policy, is a disaster waiting to happen. Mr. Canepa is currently addressing this problem with multiple departments within city government.

Having an efficient and effective organization such as TIDA present on the Islands to interact with the residents, on a daily basis, is essential to the success of the Islands today and to the future growth and development of the Islands. It is also essential that the current residents and commercial entities on the Islands see the positive effect of this interaction, and they have. The residents I've talked to are especially pleased to see a positive and prompt response to their concerns. They may not get the exact response they had hoped for, but they feel that their issues were properly addressed.

Sincerely,

Donald W. Hughes

Donald L. Mallonee
MS Holistic Health
Business Dev/Sales Professional

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San Francisco, CA 94130
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September 10, 2005

TO: TIDA Board

RE: DJ Canepa

To Whom It May Concern:

It has come to my attention that some members of TIDA may be in jeopardy of losing their positions due to some perceived level of redundancy or bureaucratic overlap. Specifically, I am troubled and deeply concerned that DJ Canepa, a proven leader and champion of many causes here on Treasure Island may be one of those person's whose position is considered "redundant." Let me state clearly that this would be pure folly. DJ Canepa has proven to me that there is at least one empowered person on this Island who is not only willing to lend a genuine ear but can also be counted on to deliver on his word. I am quite concerned, and rightly so, that should DJ have to give up his position the development of the Island will return to a stage when nothing is done, no project accomplished, and no initiative seen through to completion. The result, I fear, will be an Island where the environment returns to a primitive state.

In my experience with groups and organizations on this Island there seems to be a great deal of unattainable idealism, complainers with pet projects that have nothing to do with the whole of the Island or it's citizens, misguided and/or unfocused initiatives skewed toward minorities that are either apathetic or indulgent in equal measure. I have walked away from these groups due to realizing that nothing good will get done and that a true understanding of how to inculcate the civic sense in a community or forward works that benefit the whole is mostly lacking. But during this process I have discovered a few good citizens and a few good administrators who truly have the whole community in mind and have a keen sense of how to develop the civic sense and craft a community that stands a chance at creating a "good" neighborhood. DJ Canepa is an administrator who has always taken my calls, scheduled appointments and kept them, listened to the concerns and problems as presented, and then gone out of his way to make sure that the projects he commits to are seen through to completion.

Because of DJ the Island is vastly cleaner, fire hazards reduced, beauty restored, and local pride preserved. For those of you reading this you are probably unaware of how deeply the Island had fallen toward becoming a dumping ground for non-residents, a trash-yard for those who take no pride in house & home, an overgrown jungle environment adding to the impression of decline, urban neglect that inspires and empowers the criminal minded, vandal, thug and causing depression, dismay and defeat in those who see the beauty and promise of the Island's natural grace and

what it's community might ultimately become and symbolize. DJ has taken time to walk the Island with concerned citizens and seen first hand the levels of neglect, pollution, and decay. He has demonstrated that he keenly understands that the outer environment reflects the inner environment and that only a downward spiral can result with continued non-action. DJ's attention and focus along with the support of certain citizens has single handedly lead toward directing the resources of the Island towards cleaning up the garbage and waste, cutting down and removing the weeds and growth in derelict areas where juveniles and the un-homed go to avoid notice thereby reducing fire dangers helping, reducing the risk of violence, etc.. These are major accomplishments, the benefits of which are incalculable and far reaching, not only for the citizens of this Island but also for San Francisco as a whole.

DJ has also worked toward the establishment of a dog-park here on the Island. This place is well known as an area where dogs are accepted so many people move here in order to have a dog. Many people who live here have become "dog people" as a result of being in the environment. To have a dog on this Island is genuinely part of one's identity while living here. In fact, the Island is well known by non-residents as a great place to bring your dog for the purposes of exercise, play, and socialization with other dogs and dog owners. The attempts of other agencies involved with the Island to manage the issue of dogs has bordered on the absurd, ridiculous, and irresponsible. Only DJ has recognized the overall value, safety, responsibility, and simple necessity of creating a place on the Island where dogs and owners are allowed to gather and socialize.

Although I have spoken to DJ at length about many other issues on the Island the ones mentioned above have been the ones I am most keenly concerned and involved with because it is my professional opinion that championing these causes would do the most to reduce crime and vandalism, increase safety, inspire civic pride in residents and non-residents, inspire a positive attitude and environment and generally speaking raise the consciousness of the Island to a higher level. You have to provide a child the foundation of a good home if one is to give that child a true chance in this world. DJ has demonstrated to me that he understands this principle and has exhibited genuine concern and desire to do good things and to embrace projects to see that this kind of ideal is instilled and installed. DJ has helped to make this place a good and better home. Along the way I have come to regard DJ as a friend and colleague, a likeminded spirit who is fighting the good fight for the right reasons and getting good things accomplished thereby. If the tone of this letter has been somewhat sharp or highlighted the negative for the purposes of revealing the positive then I only hope to communicate how important DJ has been in reducing the negative and providing for a more positive life here on the Island. Retain DJ Canepa and his position here on the Island. The great city of San Francisco will be well served in doing so.

If you have any questions feel free to contact me at the numbers provided. I am happy to meet with anyone to discuss this matter and lend support to a process that preserves DJ's position with TIDA.

September 7, 2005

Sincerely,

Don Mallonee

A handwritten signature in dark ink, appearing to read "Don Mallonee", written in a cursive style. The signature is positioned to the right of the word "Sincerely," and above the printed name "Don Mallonee".



San Francisco
PLANNING & URBAN RESEARCH
ASSOCIATION

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Honorable Claudine Cheng, President
Board of Directors
Treasure Island Development Authority
410 Palm Avenue
Treasure Island
San Francisco, CA 94130

Re: First Edition: Treasure Island Design for Development: Design Principles - July 2005

Dear President Cheng:

Thank you for the tremendous amount of work that has gone into planning for Treasure Island so far. SPUR's Sustainable Development Committee has reviewed the Treasure Island Design for Development (D for D) and would like to convey our comments and questions on a number of elements of the document.

General Development Objectives (page 9)

We agree with the proposed design objectives, with the following exceptions:

7. "Create an urban building scale and relationship between development and TI streets and open spaces that enhances walkability, creates compact development and maximizes the use of transit."

Creating a relationship between development and streets and open space is a worthy objective, but it does not in and of itself create compact development and assure walkability and maximum transit use. This objective should also address the relationship between residential development and peoples' destinations. Residential units should be clustered around a retail-commercial corridor and transit hub. If the planned residential density will support only one retail corridor, then the retail corridor should be located more centrally to minimize walking distance for the most people.

11. "Integrate appropriate levels of on- and off-street parking with the overall development, meeting functional requirements while effectively screening off-street parking and loading from public view. These measures should be directed at mitigating the dominance of private automobiles on the island."

The development project cannot be considered sustainable if it is directed merely at "mitigating the dominance of private automobiles on the island." The objective should be to **avoid** dominance by the private automobile.

18. "Achieve consistency with the objectives of the General Plan to be approved for TI, planning standards to be adopted for TI, and with all applicable codes and ordinances of the City and County of San Francisco as modified by the express provisions of the Redevelopment Plan including the final Design for Development."

The proposed sequence of planning steps should be clarified. The General Plan, which is currently silent with regard to Treasure and Yerba Buena Islands, will need to be amended to establish basic planning principles for the islands **before** the project can be approved. We would like to see a time line that clearly lays out the sequence of the various approvals and adoptions mentioned, along with any relevant public participation opportunities. We note that the Introduction states that the First Edition Design for Development Principles will accompany the Term Sheet Agreement. Will the Sustainability Plan, for example, accompany the Term Sheet Agreement as well?

We hope that the revised (D for D) will include both an overview of the planning concepts that would govern the proposed project and the precise standards and regulations that are proposed. This information is necessary for the Citizens Advisory Board, the TIDA Board of Directors, the Board of Supervisors and the public to participate in a meaningful way. There must be real opportunities for all of these groups to influence the planning process after the Term Sheet Agreement is approved.

III. General Land Use and Urban Design Principles, page 15

The fourth bullet describes as a proposed land use:

"Approximately 200,000 square feet of retail/commercial uses congregated primarily around the Pier One Ferry Terminal and along Clipper Cove and Cityside South. The development will strive to maximize this destination retail/commercial component as an integral element of the overall plan. Opportunities for neighborhood retail in other districts in strategic locations will address local community needs and market demand."

We have four concerns with the above excerpt:

- Will the 2800 dwelling units currently proposed house a population sufficient to support a full retail center or even a small supermarket? What studies have been done to determine the minimum population needed to make viable the basic neighborhood-serving businesses?
- To what extent does the currently proposed land use plan foster maximum walkability? What percent of the residential units are within a half-mile walk of a grocery store, pharmacy, post office, or other retail services?
- What percent of the units are within a half-mile walk of a ferry terminal?
- Given that a decision has not yet been made regarding the location of the ferry terminal, is there an alternate land use plan that could be put into effect in case the Pier One site is not the one finally adopted? The Ferry Terminal Location Study by Concept Marine

Associates (11/03 and 7/04) did not examine the location and design of the west-side ferry dock used during the 1939-40 Golden Gate International Exposition, and did not compare the ridership and land-use implications of the two terminal sites under consideration. SPUR urges a more thorough comparative cost-benefit analysis prior to the selection of a ferry terminal location.

Existing and Historic Fabric, page 18

We applaud the "key historical goals" listed in column two. We recommend adding another – the preservation of the historic cultural landscape of Treasure Island (the artificial island.) Numerous mature trees, many of them planted for the Golden Gate International Exposition, still flourish, providing numerous environmental benefits as well as contributing to a celebration of the island's history. Existing trees should be inventoried, mapped, and evaluated, so that the significant trees can be taken into consideration in the planning process as soon as possible. Where appropriate, historically significant trees should be considered for landmarking.

Open Space and Park System, page 20

While we largely agree with the first bullet under "Primary features," it should be re-written to clarify that non-natives are not being removed just because they are not native. The goal is the selective removal of those particular invasive exotics that threaten to displace or harm the indigenous biotic communities.

We support the connection to the Bay Trail, and would like to see a mention of a connection to the proposed West Span Bike/Pedestrian/Maintenance lane as well as to the East Span access already in the plans.

We aren't clear on the meaning of the "quasi-public" open spaces mentioned under "Tertiary features." Will these be accessible to the general public?

Urban Form, page 23

The first bullet under "General Massing" says, "**Encourage** variety in building massing and heights to create an attractive skyline . . ." Can this design guideline be made more specific; for example, who is to encourage whom?

We are pleased to see the exploration of selectively increasing building heights to create a more aesthetically interesting skyline, as well as to provide for increased density without increasing auto congestion or reducing public space.

The discussion of public streets and streetscape improvements should call for the protection of healthy existing street trees. The *Eucalyptus ficifolia*, for example, that line much of California Avenue, contribute significantly to the urban form and are also part of the historic cultural landscape.

An important element of "Streetscape" is night lighting. We would like to see an additional guideline that calls for a lighting system that maximizes safety for pedestrians and bicyclists while minimizing light pollution and using minimal energy. Please see the attachment for background and recommendations regarding night lighting.

Under "Blocks," we again question the concept of designating Clipper Cove as the "Main Street" for the island. We urge the TIDA to take a fresh look at the land use plan to assure maximum walkability.

Street Network and Circulation, page 27

The 9th bullet says, "Understand how parking along streets will interrelate with the other goals." We question whether street parking is necessary to implement any desirable goals. Please consider other ways to calm traffic and protect pedestrians from moving cars.

Sustainable Design, page 27, column two

We agree with this list of goals and would like to add to the ninth bullet. In addition to aggregating development, we need to be sure that residential development is clustered around pedestrian destinations.

We would also like to see consideration given to creating living roofs/green roofs and walls, as a way to achieve energy conservation, provide habitat for wildlife, reduce heat-island effects, decrease stormwater runoff, and provide additional public space.

Streets Hierarchy, page 28

The circulation pattern would be easier to evaluate if it included the Muni bus route, including bus stops. We look forward to seeing this information in the Transportation Plan.

Street Type Sections, page 29

It is unclear from the diagrams whether bicyclists are adequately protected from being "doored."

Density and Heights, pages 30 and 31

We would like to see a greater number of units overall, with higher-density development closer to retail/commercial and transit access. Given the broad ranges in density indicated for the various clusters, it is difficult to tell to what extent this goal will be met.

Global warming projections predict rises in sea level over the next 100 years and longer. Effective new environmental policies may slow down this rise but are not expected to stop it completely. This progressive sea level rise should be taken into account in all planning. The Design for Development continues to base a substantial percentage of residential housing on three- to four-story frame structures on concrete parking podiums. Will these designs be consistent with life safety goals on the Islands?

In addition, Treasure Island will be subject to liquefaction in the event of a major earthquake. SPUR is supportive of taller buildings to support greater density within a small development footprint; however, we encourage the TIDA to take into consideration the relationship between building height and the building methods required, not only for seismic safety but also for environmental protection. For example, will driving piles deep enough to reach bedrock have a negative effect on local wildlife, as was the case with the Benicia-Martinez Bridge in 2002?

Parking, page 30

As SPUR observed in its 10/20/04 paper, *PARKING AND LIVABILITY IN DOWNTOWN SAN FRANCISCO - Parking policies to discourage congestion and improve the urban environment in the new, mixed-use downtown*, "Many observers believe that more parking equals less congestion, as if the cars will magically disappear into the parking garages, but in fact the opposite is true. The more parking you build, the more cars you attract and the worse congestion gets."

We strongly urge the TIDA to question the necessity for the number of on- and off-street parking spaces proposed in the D for D. We urge you to first plan for all feasible means of getting people on and off the island by bus or ferry before setting this number of spaces.

We urge the TIDA to explore the possibility of making the islands as car-free as possible, and to consider the benefits of implementing San Francisco's first "Car-Free Village" on the islands. There are a number of models throughout the world.

Clipper Cove Landing - Use, page 37

Please change the last sub-bullet in column one to read, "**Encourage visitors to come by bus or ferry.** Encourage those visitors who must come by car to leave their cars in the public parking garage and utilize alternative modes on the island." Such a statement should go in general guidelines, applying not just to a particular district.

Clipper Cove Landing – Public Space, Transit and Parking, page 37, column two

The 5th bullet says that one of the key components of the design should be "An approach to design that considers a public parking structure an amenity compatible with its setting on the arrival boulevard of Treasure Island." To provide a parking structure – especially one with a minimum of 500 spaces – is inconsistent with the goal of encouraging visitors to arrive by public transit.

In the 8th bullet (possibly intended to be part of a ninth bullet), it says, "Provide unbundled parking opportunities – the securing of parking spaces separate from the purchase of rental or residential units." SPUR supports this concept but fears that the large amount of on-street parking will negate the benefits of unbundling while saturating the streets with parked vehicles. On-street parking spaces should be kept to a minimum, and parking costs should be high enough

to prevent residents from using street parking as an alternative to purchasing or renting an off-street parking space.

The Design for Development contains many positive goals and guidelines. We hope that our comments will help to expand the scope of the work to include the consideration of these additional sustainability issues. We urge the TIDA to adopt a bold, innovative vision, requiring the kind of out-of-the-box planning and design that would allow for an off-the-grid and car-free development. We look forward to participating in the public process to assure true sustainability in the redevelopment of Treasure and Yerba Buena Islands. Please feel free to contact me if you would like to discuss these ideas further.

Sincerely,

A handwritten signature in cursive script, reading "Katherine Howard". The signature is written in dark ink on a white background.

Katherine Howard, Chair
SPUR Sustainable Development Committee

Attachment: Outdoor Lighting – Background and Recommendations

Attachment: Outdoor Lighting – Background and Recommendations

Background:

1. Because of the different lighting needs for driving and walking, lighting for roadways may be ineffective for pedestrians, and pedestrian-friendly lights may cause problems for automobile drivers.
2. "Required" lighting levels have increased to a very high level over the years. The truth is that people can see by candle-light and sunlight (which are obviously vastly different levels of light) because our eyes adjust. Where we have trouble seeing at night is in glary conditions, going from dark areas to really bright ones. In lighting studies, police have stated that the bright lights in some areas make it easier for crooks to disappear into shadows, because officers' eyes can't adjust quickly enough.
3. Light fixtures vary in their color rendition, energy efficiencies, and maintenance requirements. Color rendition is important to the human eye, because that is how we discern and interpret what we see.
4. Inappropriate lighting can have a negative affect on wildlife habitat and migration patterns.

Recommendations:

1. Design light fixtures that are shaded and installed at an appropriate height. Shading will prevent the lights getting into drivers' eyes, and will also prevent the direct up-lighting of the night sky.
2. Provide lower light levels of even intensity throughout the islands. People will be able to see well at night if the lighting is even, and the lower levels of light overall will mean less light reflected up from the sidewalks and streets into the night sky.
3. Investigate the state of the art in fixture and lamp design, with an eye toward reducing the number of watts per lumen and increasing the number of hours of operation without re-lamping.
4. Coordinate planning for wildlife habitat with planning for lighting.

The best way to ensure that the complexities of outdoor lighting are effectively addressed is to engage the services of an experienced lighting design firm. TIDA should create an RFQ for such firms that stresses the goals of minimizing light pollution, providing effective levels of comfortable lighting, and balancing the safety of pedestrians and automobiles. All of these actions can actually save money in energy use and maintenance, while making the islands more attractive for residents and visitors.

September, 2005



SIERRA CLUB SAN FRANCISCO GROUP

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September 8, 2005

Ms. Claudine Cheng, President, and
Members of the Board of Directors
Treasure Island Development Authority
Building One 410 Palm Avenue
Treasure Island
San Francisco, CA 94130



Re: Treasure Island Ferry Study

Dear Board Members:

As suggested at the July 13th TIDA Board meeting, the Sierra Club has searched the TIDA website for the many ferry studies referred to at the meeting. We were able to find only one – the TI Ferry Location Study (11/03) Supplement (7/04) by Concept Marine Associates (CMA). If there are other ferry-related studies, please let us know how to obtain them. Unfortunately, neither of the CMA documents provides sufficient information to determine whether ferry service is appropriate for Treasure Island. We understand that it was not their purpose to do so, but it will be improper for TIDA to commit public funds for a ferry, or public or developer funds for continued transportation planning, before we know whether a TI ferry is really appropriate. TIDA should require a complete Ferry Study as soon as possible. The Sierra Club believes that TIDA is risking the same kind of carelessness that created the BART-to-the-airport fiasco. To help develop a transportation plan for Treasure and Yerba Buena islands, we offer the following comments and suggestions of what should be included in a complete Ferry Study:

Comparison of Ferry Service to Muni Bus Service:

A complete Ferry Study (FS) should include a comparison of the travel times, pedestrian access, frequencies, fares, number of transfers required, convenience, environmental costs, construction and operating costs, level of subsidy required, etc., of Muni bus service with ferry service. It may turn out that with bus service, which is needed in any case, a ferry would be an expensive redundancy.

1) Travel Time

The study should compare the total travel time; for a typical TI resident of a Ferry trip with a similar trip taken by Muni bus. Using the Muni Time Table and the trip time assumptions in the CMA Study, along with some minimum analysis, will provide a basic comparison, as follows:

Ferry Average Transit Time: The July 2004 Supplement to CMA's *TI Terminal Location Study*, Table 5, shows a round-trip cycle time of 31.8 minutes. Thus the average Ferry transit time is 16 minutes, because with a ferry all passengers start and stop their transit rides at the same place. For this discussion, we will use the apparently preferred Pier One terminal location as the starting point. We note that CMA allowed 20 seconds to unload a ferry and start to return, while the Sausalito Ferry Schedule shows a minimum of five minutes dwell time during peak hours. This could impact the frequency of service or number of ferries required to serve TI.

Bus Average Transit Time: Muni's latest website schedule shows the 108 Line taking seven minutes from the Transbay Terminal (TT) to the TI Gate and fifteen minutes to loop TI (obviously this includes boarding time and unloading time) plus eight minutes to return to Transbay, including Yerba Buena stops, for a cycle time of 30 minutes. To this we must add some unloading time at TT. However, for a bus the average transit time will be much less than half the cycle time because only a person living on the northern end of TI will ride half of the TI loop time coming and going while most of those who live closer to Clipper Cove will walk an extra block or two rather than riding most of the loop coming or going. For example, assuming a counterclockwise bus loop, many people living in the southeast will save time in the morning by walking to a bus stop closer to the causeway to catch the bus on its way back to SF, rather than boarding a closer bus on its way to the north end of the island. Their transit time might be eight minutes to SF and ten minutes back to TI. Those living in Cityside South will walk farther in the evening to save time, even though riding the whole loop would bring them closer to their "doorsteps." In addition, the loop time after redevelopment will be shorter because the northern end of TI will be open space rather than housing. Thus the average bus transit time will be eight minutes plus, say five minutes, for an average of 13 minutes including unloading the bus in the Terminal.

Ferry Average Walking Time: The November 2003 CMA Study claims that the average Ferry rider will live a little less than a half mile from Pier One. This does not include an allowance for the street grid and so the walk will be more than a half mile. An average walker can do that in about eight minutes on flat land.

Bus Average Walking Time: Muni stops will be about 1,000 to 1,200 feet apart and so the average walk, including side streets, will be less than a quarter of a mile, or a three minute walk to a bus stop. To this we add one minute to the average walking time of every bus rider to account for those who will choose a longer walk to reduce their transit time, as discussed above in Bus Average Transit time. This extra minute can also be explained by considering that about half of TI residents may choose to walk an extra four minutes half of the time to reduce one of their one-way transit times by at least ten minutes.

Shuttle Service: The developer is proposing a shuttle service as an on-island alternative to driving. We support the objective, but this should also be studied in more detail. To illustrate some of the problems with this service we attempted to design a shuttle system. Because all of the passengers using the shuttle to get to the ferry will want to arrive at the terminal at the same times, two separate services are required: one from YBI to Pier One; and the other from the Westside Park, East Bayside, and Cityside South neighborhoods to Pier One. The shuttle service times and stops will be similar to the 108 bus

stops. There should be enough time in the schedule for the buses to serve as the TI/YBI shuttle between ferry runs. Adding more stops to reduce the walking required will increase shuttle travel time. Cityside and Clipper cove residents may choose to use the Yerba Buena shuttle. The annual cost of this service will add over 25% to the ferry operating cost. How will this cost be absorbed? With the increase in frequency required by increased ridership, the Muni 108 would serve very well as the de facto shuttle for TI and YBI.

Total Average Travel Time Comparison: Predicted total travel times to the Mainland for various TI residents along with possible shuttle use and frequent ferry or Fast Pass fares is shown below:

Starting Location	Transit Mode	Walking Time, Mins	Extra Walk Time, Min	Transit Time, Min	Total Travel Time, Min	Fare
Westside Pk	Ferry	11	NA	16	27	\$2.90
	Ferry & shuttle	8	NA	16	23	\$2.90 +
	108 Bus	3	NA	15	18	\$1.00
Cityside S	Ferry	8	NA	16	24	\$2.90
	108 Bus	3	4/2	10	15	\$1.00
Clipper Cove	Ferry	5	NA	16	21	\$2.90
	108 Bus	3	4/2	10	15	\$1.00
Yerba Buena	Ferry	11	NA	16	27	\$2.90
	Ferry & shuttle	8	NA	16	24	\$2.90 +
	108 Bus	3	NA	6	9	\$1.00

2) Convenience of Terminal Location:

The FS should consider the **convenience** of users. Is being dropped off at the Ferry Terminal more or less convenient than TT? Consider the percentage of bus users who could walk to their ultimate destination from each Terminal in SF rather than waiting for and transferring to another carrier. Studies have shown that many people will choose to drive in traffic and pay high parking fees rather than go through the inconvenience of having to transfer.

3) Service for Yerba Buena Island Residents:

Would any Yerba Buena transit users walk three quarters of a mile to Pier One when a bus directly to San Francisco is within a much shorter walk? Taking a shuttle to the ferry would require a transfer, making it more likely that people would drive to SF. (Even though the Coast Guard property is not part of the development project, Coast Guard residents and employees should be taken into account in transportation planning.)

4) Service for Off Peak Users:

Off-peak service is very important for a **Transit-First Island**. The Time Table shows buses every fifteen minutes or twenty most of the day with the considerably smaller current population. Buses will come more frequently if demand requires after redevelopment. The bus service runs all night though less frequently. Could a ferry provide frequent night service? The last Sausalito Ferry leaves SF at 7:55 weekdays and 6:30 on weekends. Most likely, TI would need bus service even if it had ferry service. But it's not clear that it would need ferry service so long as it has reliable and frequent bus service.

5) Aesthetics.

While a ferry ride is a great attraction, with a romantic and nostalgic appeal, the views from the 108 bus are dramatic; from the Bay Bridge riders can get a bird's eye view of the SF Waterfront, the Port of Oakland, the YBI Lighthouse, and at least five Bay islands.

6) Disabled Riders:

A FS should consider the difficulty for Disabled Riders, or those with any mobility problems, to walk or ride in a wheelchair for eight or eleven minutes to a ferry instead of three minutes to a bus. While it may be easier for wheelchair users to board a ferry, that advantage may be outweighed for those who require boarding a shuttlebus to get to the ferry. The FS should look at this issue.

7) Fares and Subsidies:

A Muni Fast Pass costs \$45, which for the average commuter amounts to about a dollar each way with every additional ride being free. What will be the Ferry fare? Will discount transfers be available?

Probable Ferry Fare Estimate: Sufficient information is available in the CMA and Water Transit Authority studies and on the Golden Gate Ferry website to estimate a ferry fare. CMA shows \$2,335,963 as annual operating cost (7/2004 page 17). WTA shows 2025 projected daily ridership to SF as: 6,576 from Larkspur, 5,118 from Sausalito and 2,485 from TI (Final Implementation and Operations Plan 7/2003 page 21). WTA also shows \$13,020,500 as the combined Sausalito and Larkspur 2001 annual operating cost (page 20). The Golden Gate Ferry website shows \$6.45 as the current one-way adult fare from both Sausalito and Larkspur to and from SF. A frequent-rider ticket book brings the cost from Sausalito down to \$3.45. Dividing annual cost by daily ridership is \$940 for TI and \$1113 for combined Golden Gate. If we assume that the farebox ratio for TI and Golden Gate will be the same, ie similar proportions of total subsidy, the **daily fare from TI prorates to \$5.45 and the discount fare will be \$2.90.** All of the above must be adjusted to be current and comparable, but we cannot really estimate probable TI ferry fares because that is a political decision based on the ultimate distribution of subsidies from bridge tolls.

Sierra Club Positions: This request for a complete Ferry Study is driven by the following Sierra Club positions: "The operating subsidy per ferry ride passenger mile shall not exceed operating subsidies of other public transit systems and will not decrease the subsidies available to existing, less costly systems; and Ferry services shall be established only when an alternatives analysis shows that other public transit alternatives of similar scope are not clearly more cost-effective."

Regional Financial Considerations: A complete FS should compare the **required operating subsidy** for each ferry and bus rider. The Golden Gate Ferry (WTA 7/2003 Final Implementation Plan) had an operating-only subsidy of \$5 per rider in 2000. Fortunately for Golden Gate they have a Bridge to help cover the cost. San Francisco bus riders receive much lower subsidies. Muni should be asked to calculate the subsidy per rider for the 108 Line. In addition to the CMA's projected operating costs, a complete FS should consider the **capital costs** of two ferries and a terminal as compared to adding a couple of buses. A FS also should employ some method to annualize initial capital costs.

8) Ferry Ridership Estimates:

A complete FS should question and analyze the WTA estimate of 2,485 daily Ferry Riders to SF given only 2,800 units or about 6,100 residents. The Sierra Club has doubts about the estimate based on the following statistical data. In Marin County the total projected daily ferry ridership, including Tiburon, is 14,433 (WTA page 21) while about 41,000 ride Golden Gate buses per 2003 data (10,261,000 annual boardings divided by 250 days a year. Marin people ride the bus because it gets them closer to where they want to go even though the fare is only 20 cents lower than a ferry. In SF, even though the Sierra Club deplores it and good transit is available, about 40% of downtown workers get to their work site by private automobile. Many TI/YBI residents will probably work at sites that are much harder to access by transit than downtown SF. What transit mode will TI residents choose when they compare a probable ferry frequent rider fare of \$2.90 to a \$1.00 cost with a Muni Fast Pass? What about TI residents who live in affordable housing or go to an SF high school?

9) Environmental Considerations:

A FS should consider **Energy Consumption** for a ferry vs. a bus. The WTA EIR shows 660 Btu/passenger mile traveled (pmt) (for a typical Bay Area bus) and 6,297 Btu/pmt for a high-speed ferry. A slow-speed Treasure Island Ferry will burn substantially less diesel per passenger and the FS should show how much. It should also be noted that typical automobile with a driver and 0.17 passengers consumes 5,321 Btu/pmt. (Table 3.13.1) (Of course, we are hoping that the technology will soon be available for a fuel cell-powered ferry, but there is no guarantee.)

Bus service will not have any impacts on waterfowl, seals or recreational boaters and may produce fewer green house gases.

10) Public Policy Considerations:

The FS should begin by acknowledging that a TI ferry cannot operate without public subsidies and by naming the **Public Policy Purpose** for a subsidized Ferry Service. In some cities, the purpose of the ferry service is clear. In Seattle, New York and Hong Kong, for example, the main advantage of the ferries is to **save the cost of a bridge**. For individuals willing to **pay a premium**, the benefit is a more stress-free and, in some cases, faster trip. But in the case of Treasure Island, it has not been demonstrated that the public benefits would justify the public subsidy. Reducing congestion should not be considered as a public benefit because congestion can never really be reduced because each driver has his or her own personal level of acceptable congestion. When this is exceeded they don't drive. The WTA claims a 1.1% reduction in Bay Bridge congestion for all of their proposed 2025 Bay Bridge corridor projects ferry projects (WTA EIR). The projected TI ferry has only 15% of this corridor ridership. The FS should determine how many additional cars will drive west from TI during the morning peak if there is ferry service.

The FS should determine whether some or all of the benefits of a ferry could be provided instead by a hotel-sponsored **appropriately sized water taxi** (perhaps with a partial schedule), with some of the overhead covered by residents who might occasionally ride.

Because there are some advantages to ferry travel for recreational purposes (e.g., the ability for groups riding together to bring bicycles or to carry picnic equipment such as volleyball nets and beer kegs), the FS should analyze the feasibility of **weekend-only ferry service**.

There will also need to be provisions for **emergency service**, but that should be taken care of immediately and not regarded as part of the development project.

A FS should also examine the potential advantages of diverting part of the proposed Ferry subsidy to bus service. The legislature in Sacramento probably knew that the ferry subsidies were typically part of a real estate deal and if the City and the developer request some diversion from the legislature it may be granted. If Muni was given this subsidy the bus might become fare-less or Muni could offer each TI household a reduced price Fast Pass.

Conclusion –

Is Ferry Service Appropriate for TI?

An experienced ferry consultant and advocate, Martin Robbins, has stated that ferry service will not work for TI, even with considerably more than 2800 units. His reasons need to be explored and responded to. After a complete FS is produced, TIDA, the developer and the City will have enough information to decide if Ferry Service is really appropriate for TI. If Ferry Service is not recommended, then new opportunities arise to create a land use plan that is far more walkable, bikeable and transit friendly. A complete Ferry Study should have been conducted prior to commissioning a study that only looked at terminal locations. If some level of TI ferry service is deemed appropriate, having a complete FS will greatly assist TIDA in obtaining funding.

We strongly urge you to require the preparation of a comprehensive ferry study before moving ahead with any more land use and transportation planning. Please feel free to contact me if you have any questions about the above recommendations.

Very truly yours,



Howard Strassner, Chair Transportation Committee

419 Vicente, San Francisco CA 94116

661-8786, (h,w,fx)

email: ruthow@dslextrreme.com



July 18, 2005

T.I.D.A. Board of Directors
410 Avenue of The Palms
Building 1, 2nd Floor
San Francisco, California 94130

Dear T.I.D.A. Board,

For ten years Christian WYSIWYG Filmworks, Inc. has been working hard at building a film company that would be a leader in the movie industry. We would like to share with you an updated report of the latest developments in our company.

We have just opened our new movie studios on Treasure Island in San Francisco.

We have just returned from Italy where we shot the first scenes from our movie , *Gravity: The Shadow of Joseph*. The film has a budget of 50 million dollars.

We have secured a distribution agreement with Regal Cinemas, Edwards Cinema and United Artists for the release of our movie on 07/07/07 in fourteen IMAX theaters and subsequently, 2,500 Class A theaters.

We have completed the first shots of our latest film in 70mm, 60 frames a second. Our movie will be the first feature film in history to be shot in this format. Our Abraham camera which is the highest speed,highest resolution digital film camera in the world took its first picture on June 21st, 2005. (The Abraham camera has a higher resolution than the human eye!)

On July 28th, 2005 we will test our prototype of the first DSD theatrical Wave Field Synthesis Sound System in history. We will be demonstrating this at the Audio Engineering Society Convention in New York City in October of this year.

In October of 2005 at the Audio Engineering Society Convention in New York we will introduce the first portable DSD field recorder to the industry. The recorder named Sarah will be a commercially available product through a joint venture with Christian WYSIWYG Filmworks, Inc and Genex Audio Corp.

On June 30th, we received delivery from Egriment Corp. of the first carbon fiber articulating movie crane in history. Its serial number is 5550001.

In November, Costal Optics will have completed the manufacturing of the fastest camera lens in history. A 120-degree field of view, 65 mm format lens with an f-stop of .75!

We are excited about these and many of the other technological and industry breakthroughs that our company is currently experiencing. Our new movie, *Gravity: The Shadow of Joseph* is in full swing now and we will keep you informed as other new, exciting developments occur.

Though we were wooed by Alameda, Tracy and other counties, we feel that San Francisco is the crown jewel.

Thanks to Tony Hall and his staff at TIDA for fostering a resurgence of the film industry in San Francisco.

Richard Gazowsky



President

Christian WYSIWYG Filmworks



DEPARTMENT OF THE NAVY
BASE REALIGNMENT AND CLOSURE
PROGRAM MANAGEMENT OFFICE WEST
1230 COLUMBIA STREET, SUITE 1100
SAN DIEGO, CA 92101-8571

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September 7, 2005

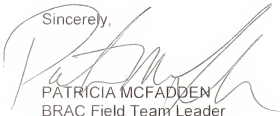
Treasure Island Development Authority (TIDA)
410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130



Dear TIDA Board of Directors:

The staff of TIDA has a large and challenging job of maintaining the former Naval Station Treasure Island under the Cooperative Agreement (CA) with the Navy. The CA outlines the many requirements for the management of the former Navy base, including security, fire protection, and management of facilities and utilities. TIDA performs these tasks in addition to their responsibilities to facilitate current and future reuse with professionalism and dedication. We appreciate TIDA's work at Treasure Island and the CA support provided by SF Department of Public Works and the Public Utilities Commission.

Sincerely,



PATRICIA MCFADDEN
BRAC Field Team Leader



THE
JOHN STEWART COMPANY

1358, Sutter Street, 11th Fl
San Francisco, CA 94108-5427

415 345 4400
FAX 415 317 5
www.jsc.com

Tony Hall
Executive Director
Treasure Island Development Authority
410 Avenue of Palms
Building 1, 2nd Floor
Treasure Island
San Francisco, California 94130



Subject: Kemper Insurance Company

Dear Tony,


As you may recall from previous briefings and at least one telephone call we have been pursuing a claim against the Kemper Insurance Company (now defunct) for a number of years. At the start of our sublease contract and the beginning of rehabilitation program approximately 6 years go, we wanted to hedge risk relative to certain environmental conditions on the island. Hence we bound toxic liability coverage under Kemper Insurance for the term of our sublease. After many years of claims tendering, negotiation, minimal partial payment, or outright rejection we retained counsel (Farella Braun + Martel) and filed a lawsuit.

I'm pleased to advise that we have received and accepted a settlement offer from the remnants of the Kemper organization (Kemper Environmental, Ltd.) in the amount of \$128,000. Since the named insured was The John Stewart Company the check will be made payable to us but we will endorse it over to the Treasure Island Development Authority when it is received. We anticipate a executed settlement agreement in about 10 days and the check about a week thereafter.

On other subjects, I'm enclosing a recent occupancy status report reflecting, as you can see, an occupancy rate of almost 98%.

Please call with questions or observations.

Best regards,


John K. Stewart
Chairman

Cc: Michael Cohen, SF Deputy City Attorney
Loren Sanborn, JSCo
Mike Hartley, JSCo

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Island Times

Environmental Investigation and Cleanup News

Naval Station Treasure Island

Summer 2005, Newsletter No. 10

www.navybracpmio.org

U.S. Department of Navy (Navy) developed this newsletter to update the community on their environmental program and recent field activities at former Naval Station Treasure Island (NAVSTA TI). NAVSTA TI encompasses both Treasure Island (TI) and Yerba Buena Island (YBI). The Navy established the Installation Restoration (IR) Program in 1981 to investigate and cleanup sites under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Environmental investigations and cleanup under the IR Program and other programs began on NAVSTA TI in the mid-1980s and continue today. The Navy has identified 33 IR sites on TI and YBI and is following the regulatory process of investigating and cleaning up each site. Please share this information with members of your family, friends, and representatives from any local organizations that may benefit. Individuals, businesses, and organizations can receive future newsletters by completing and returning the mailing coupon on the back page of this newsletter. We also welcome your comments on the newsletter.

NAVY SIGNS AND FENCES AT TI/YBI AND NON-DISTURBANCE OF TI BACKYARD SOILS

The Navy appreciates the cooperation of tenants and visitors in observing posted signs identifying areas where entry is prohibited for your safety. During 2000 and 2001, interim groundcover was installed in the backyards of Building 1211 Bayside Drive and Building 1235 Northpoint Drive, and one backyard each in Buildings 1213 and 1237, due to the identification of lead, PCBs or Polycyclic Aromatic Hydrocarbons (PAHs) in the soil. Please remember to adhere to the rules provided by your housing management for do's and don'ts in backyards, as well as common areas. All signs and rules are in place for your safety.

Housing rules were also amended in February 2003 prohibiting soil disturbance by residents in all backyards at Treasure Island. Residents are not permitted to dig or otherwise excavate soil in backyards. Planting of backyard gardens and landscaping is prohibited except in planters or other above-ground containers using imported soil. Residents are responsible for watering and pruning of existing vegetation and mowing of lawns in backyards, but should minimize contact with bare soil.

UPDATE ON THE TREASURE ISLAND HOUSING AREA (Site 12)

This past winter, all of the temporary fencing restricting access to environmental investigation areas in the housing area was replaced with new, sturdier fencing. Further investigation work is currently planned for the unoccupied housing area in Halyburton Court. This work will include sampling and analysis for polychlorinated biphenyls (PCBs) in soil and soil gas inside the unoccupied structures and in adjacent utility corridors. Based on those results, indoor air samples may also be collected to determine if potential for risks to future residents occupying those buildings exist. The anticipated completion date of the work is fall 2005.

continued on page 2



New fencing installed around environmental investigation areas at Site 12

UPDATE ON THE TREASURE ISLAND HOUSING AREA (Site 12) (continued)

The Navy also completed an investigation of elevated arsenic in groundwater near Buildings 1311 and 1313 on Gateview Court to evaluate its potential to affect surface water resources in San Francisco Bay (Bay). Elevated levels of arsenic in groundwater in this area are believed to be a result of the presence of petroleum hydrocarbons causing the movement of naturally occurring arsenic in soil. The results of the investigation indicate arsenic is naturally attenuating, or naturally decreasing in concentration, in the tidal mixing zone and it is not likely to adversely affect the water quality of the Bay. The results of this investigation were published in January 2005 in the "Technical Memorandum, Investigation of Arsenic in Groundwater, Installation Restoration Site 12" which can be found in the Information Repositories as record number 001253. (See page 8 for locations of Information Repositories.)

The Navy is currently working on completing the Remedial Investigation (RI) Report Work Plan. The draft Work Plan was issued for review in May 2005 and was developed with oversight from the U.S. Environmental Protection Agency (EPA), the Department of Toxic Substances Control (DTSC), the Regional Water Quality Control Board (Water Board), and input from the Treasure Island Development Authority (TIDA). The Work Plan is a "roadmap" detailing how the Navy will prepare the RI report and conduct the human health risk assessment for Site 12. The Work Plan will be finalized in August of 2005.

Next steps: The Navy will conduct the human health risk assessment outlined in the Work Plan and begin preparation of the RI report.

WHAT IS THE STATUS OF PROPERTY TRANSFER?

The Navy is continuing to work on activities related to the transfer of property at TI and YBI to the city of San Francisco via the Treasure Island Development Authority (TIDA), including continued discussions for a potential early transfer. During 2005, the Navy will be preparing two Findings of Suitability to Transfer (FOST) documents for portions of the property on TI and YBI where CERCLA or other environmental cleanup actions were not required, have been completed, or can be cleaned up after transfer.

A FOST documents that certain parcels of property are suitable for transfer by deed under Section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) in a manner that is protective of human health and the environment. A Draft FOST for portions of TI was issued on July 12, 2005 and is available in the Information Repositories for public review and comment. The Navy plans to issue a Draft FOST for portions of YBI in late July 2005. Please see the www.navybracpmo.org website for the public notices. The actual transfer will occur following the finalization of the FOST documents and completion of a property conveyance agreement between the Navy and TIDA.

TI/YBI HISTORICAL FACT QUESTION

*Did Treasure Island ever have an airfield, and what unsolved mystery involved an airship?
See answer on page 6.*



Women Accepted for Volunteer Emergency Service (WAVES) practice their marksmanship at Treasure Island during WW II
Official U.S. Navy Historic Photograph, now in the collections of the National Archives

NAVY SIGNS FIRST RECORD OF DECISION AT NAVSTA TI!

On April 7, 2005, the BRAC Cleanup Team (BCT), including the Navy and the regulatory agencies, signed a Record of Decision (ROD) for the Site 13 Storm Water Outfalls and Off-shore Sediments of NAVSTA TI. Previously, an RI Report was finalized in 2001 and concluded that the site does not pose a risk. A remedial action is not required. Signing of this No Action ROD is a significant achievement for the BCT because it signifies the completion of environmental investigations for Site 13. The ROD can be found at the Information Repositories, see page 8 for locations. For details about the Site 13 investigations see "2005 Work at a Glance" on page 4.



James Sullivan, Navy, signs the first Record of Decision for NAVSTA TI

TEAM MEMBER PROFILE

Alice Pilram,

Restoration Advisory Board Community Co-Chair

If you are familiar with the Island Times newsletter, chances are you have heard of the Restoration Advisory Board (RAB) at NAVSTA TI. Although you may know that the RAB serves as a community advisory board to the Navy on environmental cleanup issues at NAVSTA TI, you may still wonder what the functions of RAB members are. To give you a firsthand explanation of the RAB, the Navy recently interviewed the current community co-chair, Alice Pilram, to get her insight on what the RAB does and who should serve.



RAB
Community Co-Chair
Alice Pilram

NAVY: How long have you been a RAB member?

PILRAM: I've been a member for about 1½ years, but have only been the community co-chair for a couple of months.

NAVY: Why are you interested in NAVSTA TI?

PILRAM: I live on Yerba Buena Island, and have for about 3 years now. My husband, Atta, was familiar with the island so when we decided to move out of San Jose we knew this was a great spot for us. Atta likes to spend his free time, and the island offers wonderful views for that.

NAVY: How did you find out about the RAB?

PILRAM: Actually, I found out about it from the Island Times newsletter!

NAVY: What made you decide to get involved in the RAB?

PILRAM: I've always been the sort of person who is involved in my community. When my children were little I was always involved in the Parent Teacher Association and other activities. I've helped with the annual Treasure Island picnic a few times, helping to prepare or serve food, or soliciting donations.

NAVY: And now your children are grown?

PILRAM: Yes. I have twin daughters, both attending University of California at San Diego. I work full-time, sometimes 50 to 60 hours a week, as a pediatric nurse practitioner; but I still like to be active in my community. My interest is in making this a thriving community.

NAVY: When your friends and neighbors ask you about the RAB and what you do, how do you explain it?

PILRAM: Well, basically, the RAB is involved in the process of turning this former Navy base over to the city of San Francisco. To do that, it's important to make sure that all of the environmental concerns are resolved. It's the biggest part of the base closure job.

NAVY: Does your medical background help with your involvement on the RAB?

PILRAM: No, my background isn't related at all. There is no particular background or training needed to be on the RAB. The only thing needed is an interest in TI, some concern for the environment, and a willingness to come to a meeting every once in awhile. When you are new, being willing to do a little bit of background reading is helpful. That was the most challenging thing for me when I was new. I was coming onto a board already very involved in the process, and I had to learn some of the history.

NAVY: So you do not feel people need a certain level of scientific background or other training to be on the RAB?

PILRAM: No, you just need a personal interest in this community. It can be rewarding. The most rewarding part for me has been the ability to see the whole process taking place. I see the Navy identify a problem, investigate, get people involved, remediate, then get approval from the regulators that a site is clean. Seeing the steps it takes to get issues resolved; it's all a rewarding process.

NAVY: Do you belong to any other groups or organizations?

PILRAM: Well, because of my job I'm a member of the Northern California Association of Nurse Practitioners. I'm also a member of the San Francisco Historical Society.

NAVY: There are many historical buildings at NAVSTA TI.

PILRAM: Yes, I'm very interested in the historical architecture here, such as the Nimitz House on Yerba Buena Island and some of the houses around it. I'm also interested in the World's Fair buildings and would like to see them preserved.

NAVY: Have you been inside the Nimitz House?

PILRAM: Yes, during a RAB meeting, we held a special event there. It's beautiful.

NAVY: Do you have any other hobbies?

PILRAM: Besides historical interests, I'm interested in travel. I am planning a cruise to Alaska.

NAVY: Is there anything else that you want people to know about the RAB?

PILRAM: I just want to encourage people to find a way to be involved in their community. We all have a voice in what is going on around us; the RAB is just one good way to be involved. If that isn't for you, try the Citizen's Advisory Board and the city's planning meetings. No one can do it all, there wouldn't be enough time to go to all of the meetings. The Navy has done a lot of work already, and it is almost completed. Now that the RAB meets only once every other month, it is very convenient.

Everyone is welcome at RAB meetings. For a current schedule of RAB meeting, dates, times, and locations, see page 8.

CERCLA DOCUMENTS AND ACTIVITIES COMING UP THIS YEAR

THE CERCLA PROCESS

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), is a law enacted in 1980 for the purposes of protecting human health and the environment. CERCLA contains requirements for a phased approach to environmental investigations and cleanup.

CERCLA STEP	CERCLA DESCRIPTION
Preliminary Assessment/Site Inspection [The First Look]	A preliminary assessment/site inspection (PA/SI) is an initial evaluation of the site including reviews of historical records and visual inspections. Sampling and analysis of soil, surface water, and/or groundwater may occur to determine whether further investigations are necessary.
Remedial Investigation [A Closer Look]	An RI is a more focused evaluation including collecting samples to establish physical and chemical characterization and to assess risk to human health and the environment. An Engineering Evaluation/Cost Analysis or a Time-Critical Removal Action may also be performed at this point.
Feasibility Study [What Works]	Data collected during the RI are used to evaluate cleanup alternatives that have been screened for protectiveness, effectiveness, implementability, and cost.
Proposed Plan [Public Comments]	A fact sheet is drafted describing cleanup alternatives and explaining the preferred alternative. This step requires holding a public meeting to provide information to the public and allow the public to comment on the preferred alternative.
Record of Decision [Agreement]	The selected cleanup remedy is documented and publicized in this document. A summary and responses to comments on the Proposed Plan are also included in this document.
Remedial Design [Plan for Cleanup]	A design for the selected cleanup remedy is prepared. A fact sheet is sent to the public before the Navy begins work on the cleanup.
Remedial Action [Cleanup]	The cleanup remedy is implemented and the public is kept informed.

2005 WORK AT A GLANCE

The Navy is following the CERCLA process (detailed above) to investigate and cleanup IR sites identified at NAVSTA TI. The text below describes the upcoming work the Navy currently has scheduled. For a map of all sites, see page 7. All CERCLA-related documents can be found in the information repositories for NAVSTA TI. (See page 8 for locations of the information repositories)

Site 6, Former Fire Training School – Located at the northeast corner of TI, this area served as a fire training school for 50 years. Contaminants of potential concern include dioxins from burned materials. The Navy will release a draft **Remedial Investigation report** during fall 2005.

Site 8, Army Point Sludge Disposal Area – Located on the eastern tip of YBI, Site 8 falls within California Department of Transportation (Caltrans) property. Historically, waste sludge from the waste-

water treatment plant was spread on the ground at the site to dewater; it is unknown whether the sludge was removed. Contaminants of potential concern include metals and pesticides. The Navy is preparing a **Remedial Investigation report** for YBI IR Sites 8, 28, and 29 concurrently and will issue the draft in fall 2005.

Site 9, Foundry – Located at the southern end of TI, this area was used as a foundry and paint shop. Contaminants of potential concern included solvents, lead, and petroleum products. The RI report was finalized in early 2005 and based on risk assessment results, the RI report concluded the site did not pose an unacceptable risk to human health or the environment. The Navy is preparing a **No Action Proposed Plan** and a public meeting for late summer 2005. Look for future announcements about the meeting.

continued on page 5

You Are Invited...

To Join the

Treasure Island Restoration Advisory Board

The Treasure Island Environmental Restoration Advisory Board (RAB) has been established by the Navy to provide a forum for discussing the ongoing environmental investigation and cleanup program underway on Treasure Island. The RAB is composed of members of the local community as well as representatives of the Navy, U.S. Environmental Protection Agency, California Environmental Protection Agency, the City of San Francisco, and other public agencies. The RAB is intended to bring together community members who reflect different interests within the local community and foster the exchange of information, concerns, issues, and ideas between these community members and the agency representatives. Members of the RAB may be asked to review information on base cleanup activities, including draft technical documents. Although the RAB is not a decision-making body, its views and input will help influence the environmental restoration decision-making process.

The Navy encourages you to consider joining the Treasure Island RAB. Applications for membership are now being accepted. As a community member, there is no requirement to have any special skills or qualifications. To learn more about the Treasure Island RAB, you may attend the next RAB meeting, held every third Tuesday of alternate months at 7:00 p.m. at the Treasure Island Casa de la Vista.

MEMBERSHIP APPLICATION

Conditions for Membership: The Navy considers the RAB to be an instrumental part of the cleanup effort and consider RAB membership an important obligation. Duties and responsibilities will include attending meetings and reviewing and commenting on technical documents and activities associated with the Environmental Cleanup Program at former Naval Station Treasure Island. RAB members will be expected to be available to community members and groups to facilitate the exchange of information and concerns between the community and the RAB. If you need additional space for this application, please use a separate sheet of paper.

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: () _____ F-mail: _____

Are you affiliated with any community or interest group? If so, specify:

Briefly state why you would like to be considered for membership on the Treasure Island Restoration Advisory Board:

What has been your experience working as a member of a diverse group with common goals? If you do not have this type of experience, please explain how you can contribute to the RAB.

Return this application you may bring the completed application to the next Treasure Island RAB meeting or send it to the contact information below:

For more information about RAB membership, please contact

Mr. James B. Sullivan, Caretaker Site Office, 410 Palm Avenue, San Francisco, CA 94130-1806;

E-mail: james.b.sullivan2@navy.mil, Phone (415) 743-4704, Fax (619) 532-0983

2005 WORK AT A GLANCE (continued)

Site 13, Storm Water Outfalls and Offshore Sediments – Encompassing the offshore area around the perimeter of TI, the 2001 Final RI report evaluated the impact on ecological receptors from onshore storm water outfalls and building drains that discharged to San Francisco Bay sediments. Results obtained during four RIs, identified contaminants of potential ecological concern including metals, polycyclic aromatic hydrocarbons (PAHs), PCBs, DDT, and total petroleum hydrocarbons (TPH). Based on the results of ecological risk assessments, it was determined the Site 13 sediments did not pose an unacceptable risk to ecological receptors in the Bay. The Navy prepared a No Action Proposed Plan and held a public meeting in spring 2004. The No Action Record of Decision was signed by the Navy, DTSC, and the Water Board on April 7, 2005. (see details on page 2)

Site 21, Vessel Waste Oil Recovery Area – Located on the southeast corner of TI, this area included a solvent dip tank for cleaning and degreasing metal parts, and the area was used for waste oil recovery. The Navy will be completing the Final RI report in late summer 2005. Contaminants of concern include volatile organic compounds and TPH. A groundwater in situ anaerobic bioremediation pilot study will be implemented in summer 2005 to determine if naturally occurring organisms in the soil will breakdown the contaminant plume.

Site 24, Dry Cleaning Facility – Located on the southeastern portion of TI, just north of Site 33, this area served as a laundry facility from 1942 to 1977 and as a dry cleaning facility for an unknown period. Contaminants of potential concern include chlorinated solvents, petroleum, oil, and lubricants. The Navy conducted a pilot study in the source area to test an innovative groundwater remediation technology. Due to its success, the pilot study was expanded in early 2005 to treat the plume area and a draft RI report will be issued in winter 2005.

Site 27, Clipper Cove Skeet Range – Located on the southern shore in the cove between TI and YBI, this area had two adjacent skeet ranges, in operation from 1979 to 1989. The final RI Report was completed in 2001, and can be found at the Information Repositories as record number 000654. The Navy is currently drafting a Feasibility Study.

Site 28 (West Side On/Off Ramp), and Site 29 (East Side On/Off Ramp) – These sites are located on YBI and are adjacent to the San Francisco-Oakland Bay Bridge. The contaminant of potential concern is lead in surface soil from vehicle emissions and bridge painting and maintenance. The Navy is preparing an RI Report for YBI Sites 8, 28, and 29 concurrently and will issue the draft report in fall 2005.

Site 30, Daycare Center – Located inland from the housing area on TI, on the corner of Avenue D and 11th Street, this site is presently a daycare center. In spring 2002, buried burned debris was discovered and removed from the play area adjacent to Avenue D before the daycare was opened for use. The Navy prepared a draft RI report in spring 2005 and is scheduled to finalize the document in late summer 2005.

Site 31, Former South Storage Yard – Located just north of Site 30, this area was used as a storage yard during the 1970s and is currently the TI elementary school playground. Buried construction materials and burned debris were identified at the site. Contaminants of potential concern include PCBs, PAHs, TPH, lead, copper, DDT, and dioxins. The current asphalt playground cover provides a protective barrier. The Navy is currently preparing the draft RI report in summer 2005 and is scheduled to finalize the document in fall 2005.

Site 32, Former Training and Storage Area – Located on the northeast side of TI, on Avenue M, this area was used for vehicle parking, storage for hazardous materials and wastes, tear gas training, and had a former transformer that was known to have leaked PCB-containing fluid. The contaminants of potential concern include PCBs, TPH, dioxins, and pesticides. The Navy is preparing a draft RI report to be released in fall 2005.

Site 33, Water Line Replacement Area – Located on the southeast side of TI, just south of Site 24, this site was identified during a review of historical drawings. Utility crews conducting repairs observed and noted buried debris in waterline trenches. The contaminants of potential concern include dioxins and metals. The Navy is preparing a draft RI report for release in early 2006.



Signal flag practice on Treasure Island during WW II
Official U.S. Navy Historic Photograph

HISTORICAL RADIOLOGICAL ASSESSMENT UPDATE AND SURVEY OF BUILDING 233

The Historical Radiological Assessment (HRA) is a detailed report documenting NAVSTA TI's historic radiological activities where radioactive materials were used or stored. In November 2004, the Navy mailed a fact sheet to the community about the work beginning on an HRA for NAVSTA TI. (See the website, www.navybracpmo.org, for a link to that HRA fact sheet.) To date, the Navy has completed a thorough records research and analysis of military historical archives, interviews with personnel, and a review of records at NAVSTA TI. The HRA summary report is being prepared and is scheduled to be completed late fall 2005.

During 2005, the Navy will conduct an abatement of asbestos and a radiological survey at Building 233, which was formerly part of the Navy's Damage Control Training Center at Treasure Island. On January 17, 1950, 40.3 milligrams of radium salts were accidentally spilled during an equipment calibration training exercise and subsequently cleaned up at that time. The 2005 survey will re-validate the original 1950 cleanup.

TI/YBI HISTORICAL FACT ANSWER

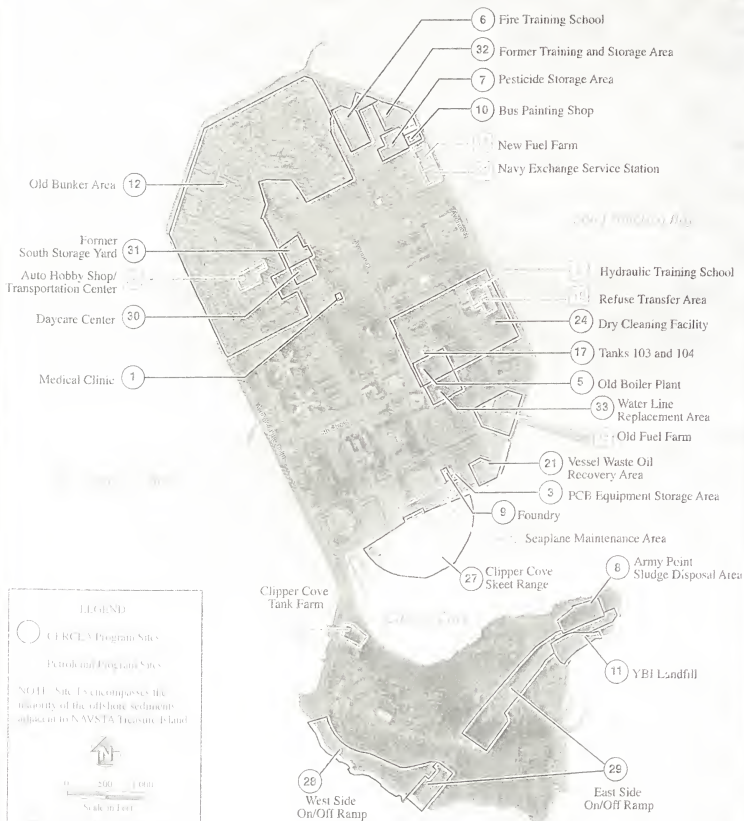
At the beginning of World War II an airfield was constructed at the northern end of Treasure Island in the present housing area. It appeared not to have been extensively used and the runway was later used for vehicle parking. The last portions of the runway were demolished when the housing was built in the 1960's. At the southern end of Treasure Island, Clipper Cove continued to be used throughout the war by Pan American Clippers, as well as Navy flying boats. The northern airfield was also used as a forward operating base for Navy airships (also known as blimps) from Moffett Field that were patrolling the California coastline for enemy submarines. On 16 August, 1942, Airship L-8 from Squadron ZP-32 took off from Treasure Island on what was supposed to be a routine patrol. It never returned, and the airship was later found drifting along the coastline, minus the two Navy pilots. The mystery of their fate was never solved.



BRAC CLEANUP TEAM CONTACT LIST

Name/Title	Organization	Phone/Fax	Address	E-mail
James Sullivan BRAC Environmental Coordinator	Navy BRAC Program Management Office West	(619) 532-0966 (415) 743-4704 Fax: (619) 532-0983	1230 Columbia St. Suite 1100 San Diego, CA 92101	james.b.sullivan2@navy.mil
La Rae Landers Lead Remedial Project Manager	Navy BRAC Program Management Office West	(619) 532-0970 Fax: (619) 532-0983	1230 Columbia St. Suite 1100 San Diego, CA 92101	larae.landern@navy.mil
Jill Votaw Public Affairs Officer	Navy BRAC Program Management Office West	(619) 532-0941 Fax: (619) 532-0995	1230 Columbia St. Suite 1100 San Diego, CA 92101	jill.votaw@navy.mil
Alan Friedman Remedial Project Manager	California EPA Regional Water Quality Control Board	(510) 622-2347 Fax: (510) 622-2460	1515 Clay St. Suite 1400 Oakland, CA 94612	afriedman@waterboards.ca.gov
David Rist Remedial Project Manager	California EPA Department of Toxic Substances Control	(510) 540-3763 Fax: (510) 849-5285	700 Heinz Ave. Suite 200 Berkeley, CA 94710	drist@dtsc.ca.gov
Richard Perry Public Participation Specialist	California EPA Department of Toxic Substances Control	(510) 540-3910/ (916) 225-6680 Fax: (916) 355-3654	700 Heinz Ave. Suite 200 Berkeley, CA 94710	rperry@dtsc.ca.gov

NAVSTA TULR PROGRAM SITE MAP



JOIN THE RESTORATION ADVISORY BOARD

The Restoration Advisory Board (RAB) is composed of members of the community who work with the Navy and regulatory agencies to provide input on the environmental restoration of former NAVSTA TI. The RAB is a committee of interested community members who review and comment on Navy documents prepared for the environmental cleanup at NAVSTA TI. Regular meetings are held to discuss the progress of the IR Program. It is a great opportunity to find out what is going on and to have your voice heard. RAB meetings are held at 7:00 p.m. on the third Tuesday of every other month and are open to everyone. RAB meetings are currently scheduled for August, October, and December 2005. Stop by!

For more information, see the website at:

www.navybracpmo.org

or call James Sullivan at (415) 743-4704.



CHECK OUT
OUR
NEW WEBSITE

WEBSITE

You can find a listing of RAB meeting minutes, copies of fact sheets and newsletters, and other general information.

Please go to:

www.navybracpmo.org

INFORMATION REPOSITORIES

The following information repositories are provided for the community to review current documents related to environmental cleanup activities at NAVSTA TI:

**Navy Base Realignment and Closure
Program Management Office West**
410 Palm Avenue, Building 1, Room 161
Treasure Island, San Francisco, California
(415) 743-4704
Monday - Friday
8:30 a.m. to 4:30 p.m.

San Francisco Public Library
Government Publications Section
100 Larkin Street, San Francisco, California
(415) 557-4400
Monday - 10:00 a.m. to 6 p.m.
T/W/Th - 9:00 a.m. to 8:00 p.m.
Friday - noon to 6:00 p.m.
Saturday - 10:00 a.m. to 6:00 p.m.

UPCOMING
RESTORATION ADVISORY BOARD (RAB)
MEETINGS

Date and Times:
Tuesday, August 16, 2005
7:00 p.m. - 8:30 p.m.

Tuesday, October 18, 2005
7:00 p.m. - 8:30 p.m.

Tuesday, December 20, 2005
7:00 p.m. - 8:30 p.m.

Place:
Casa de la Vista, Building 271, Treasure Island

T I H D I

Treasure Island Homeless Development Initiative

August 29, 2005

Tony Hall, Executive Director
Treasure Island Development Authority
410 Palm Ave.
San Francisco, CA 94130

Dear Mr. Hall,

We are writing to provide feedback to the Design for Development draft developed by TICHDI dated July 12, 2005. It is our understanding that this first draft is intended to be conceptual at this stage, with much more design detail in future stages. Thus, our comments are focused on the design concepts and the lay out of the information presented.

Specifically:

- It would be helpful if the document provided housing & commercial density, open space acreage and projected number of people in each of the proposed neighborhoods in a more concise format. We would like to see a matrix that details for each neighborhood the total number of acres and the proposed range of unit numbers. Likewise, the range of number of people per household.
- It would be helpful to have a corresponding example of these proposed neighborhoods with a comparable San Francisco neighborhood. More conceptual information is needed to illustrate the commercial and neighborhood services envisioned for each neighborhood.
- It would also be helpful to have a better description of how the neighborhoods relate to each other.
- A statement of the principle that the design of these new Treasure Island/San Francisco neighborhoods will foster the integration of diverse populations from different socio-economic backgrounds should be added to the General Development Objectives.

Further, the design principles in this document reflect the Job Corps site as one block that the rest of the development is working around. There are references on page 18 to seeking dialogue to optimize integration but in order for some of the other design principles (such as transportation) to be realistic, the Treasure Island Development Authority should be having these dialogues now. Specifically, the need to have some public "circulation systems" that allow bike, pedestrian and other transit to flow through the existing 37 acre block should be addressed now. The concept as is would foster barriers to easy access to transit hubs as well as barriers to developing neighborhood connectedness.

Clearly a lot of time and thought has gone into this first draft and we look forward to our continued work together.

Sincerely,

Sherry Williams
Executive Director

CC: Michael Cohen
Karen Knowles-Pierce

410 Palm Ave., Bldg. 1
San Francisco, CA 94130
415-274-0311
www.tihdi.org



Below is the notice of a public comment period on a Navy document known as a Finding of Suitability to Transfer (FOST). This FOST document indicates that certain portions of property on Yerba Buena Island are ready and available to transfer in that environmental issues have been resolved. This document does not clear all of the property of Former Naval Station Treasure Island (which includes land on Treasure Island and Yerba Buena Island) for transfer. Actual land transfer will happen at a future date following execution of a conveyance agreement between the U.S. Navy and the City of San Francisco.

As always you are invited to the Navy's Restoration Advisory Board (RAB) meetings for more information on the Navy's environmental and transfer related activities. The next RAB meeting is scheduled for August 16, 2005, and this FOST document will be on the agenda. RAB meetings are held at the Casa de la Vista, Building 271, on Treasure Island and begin at 7:00pm.



PUBLIC NOTICE

Public Comment Period

Department of the Navy Is Issuing A Notice of the Intent to Sign a Finding of Suitability to Transfer for Property on Yerba Buena Island San Francisco, California

In accordance with Department of Defense guidance on reaching a Finding of Suitability to Transfer (FOST), notice is hereby given that the Department of the Navy intends to sign a FOST. The Department of the Navy intends to publish a Draft FOST on August 9, 2005 in connection with the disposal of property at the former Naval Station Treasure Island, Yerba Buena Island. The Navy will be accepting public comments on the Draft FOST from August 9, 2005 through September 8, 2005.

The property subject to this FOST covers approximately 77 acres in one contiguous area on Yerba Buena Island.

The public is invited to review and comment on this Draft FOST. The Navy will consider written comments on the Draft FOST received by Thursday, September 8, 2005.

The FOST is available for public review at the information repositories listed below:
Navy Base Realignment and Closure Program Management Office
410 Palm Avenue, Building 1, Room 161, Treasure Island, (415) 743-4704,
M - F, 8:30 a.m. to 4:30 p.m.

San Francisco Public Library, Government Publications Section, 100 Larkin Street,
San Francisco, (415) 557-4400, Call for hours

Comments may be sent to: Mr. James Sullivan, BRAC Environmental Coordinator, BRAC PMO West, 1230 Columbia Street, Suite 1100, San Diego, California, 92101-8517, faxed to (619) 532-0983, or e-mailed to james.b.sullivan2@navy.mil. Questions about the Draft FOST should be directed to Mr. James Sullivan at (619) 532-0966.





PUBLIC NOTICE
Public Comment Period
Department of the Navy Is Issuing A
Notice of the Intent to Sign a Finding
of Suitability to Transfer for
Surplus Property at the Former
Naval Station Treasure Island
San Francisco, California

In accordance with Department of Defense guidance on reaching a Finding of Suitability to Transfer (FOST), notice is hereby given that the Department of the Navy intends to sign a FOST. The Department of the Navy intends to publish a Revised Draft FOST on July 12, 2005 in connection with the disposal of property at the former Naval Station Treasure Island. The Navy will be accepting public comments on the Revised Draft FOST from July 12, 2005 through August 11, 2005.

The property subject to this FOST covers approximately 173 acres in three noncontiguous locations on Treasure Island.

The public is invited to review and comment on this Revised Draft FOST. The Navy will consider written comments on the Revised Draft FOST received by Wednesday, August 11, 2005.

The FOST is available for public review at the information repositories listed below.

Navy Detachment
410 Palm Avenue
Building 1, Room 161
Treasure Island
(415) 743-4704

M - F, 8:30 a.m. to 4:30 p.m.

San Francisco Public Library - Government Section
Government Publications Section
100 Larkin Street
San Francisco
(415) 557-4400
Call for hours

Comments may be sent to: Mr. James Sullivan, BRAC Environmental Coordinator, Southwest Division Naval Facilities Engineering Command, 1230 Columbia Street, Suite 1100, San Diego, California 92101-8517, faxed to (619) 532-0983, or e-mailed to james.b.sullivan2@navy.mil. Questions about the Revised Draft FOST should be directed to Mr. James Sullivan at (619) 532-0966.



Specialists in Group Travel



Tony Hall
Executive Director
410 Avenue of the Palms
Bldg. 1, 2nd Floor
Treasure Island
San Francisco, CA 94130

Mr. Hall,

I had two senior groups visit earlier this summer, on May 11 and May 24. Frishtah Affifi took care of giving them a guided tour of the island. She was extremely accommodating and both groups enjoyed their tours. I have two more groups scheduled for next month and am sure that they will enjoy their tours as well. Thank you for providing the staff and their time to make these visits not only possible, but enjoyable. I appreciate that Frishtah is not a private guide, and that this takes away from her regular duties, so please be sure that we are very thankful that she is available to accommodate us.

Debby Pratt

Debby Pratt
Talbot Tours
debby@talbottours.com



POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603

HEATHER J. FONG

CHIEF OF POLICE



August 12, 2005

Mr. Tony Hall
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Bldg. One, 2nd Floor, Treasure Island
San Francisco, CA 94130

Dear Mr. Hall:

Thank you for your letter concerning my attendance at community meetings on Treasure Island. I assure you that I am very concerned for the welfare of the residents of the island.

I will attend the August 17, 2005 meeting and I hope to see you there, too.

Sincerely,

CAPTAIN DENIS F. O'LEARY
Southern Station

JHF
C

D. Adams



DEPARTMENT OF THE NAVY
BASE REALIGNMENT AND CLOSURE
PROGRAM MANAGEMENT OFFICE WEST
1230 COLUMBIA STREET, SUITE 1100
SAN DIEGO, CA 92101-6571



5090
BPMOW.RP\1040
August 4, 2005

Mr. Marc McDonald
Facilities Manager
Treasure Island Development Authority
410 Palm Ave. Bldg. 1, Room 237
Treasure Island
San Francisco, CA 94130

Dear Mr. McDonald:

This letter is in response to your July 26, 2005 letter regarding the past due Common Area Maintenance (CAM) charges owed to the Navy by the Treasure Island Development Authority (TIDA). Your letter asked the Navy to confirm that TIDA and the Navy have been in discussions and exchanged correspondence regarding the Navy's claim for outstanding CAM charges since 1999, and that the demand for payment is not some form of official retaliation for comments attributed to Mr. Tony Hall.

The Navy's June 27, 2005 letter demanding payment of \$1, 375, 824.00 for past due CAM charges enclosed correspondence dating from September 15, 1999 to the present documenting the unpaid debt.

Based on conversations between me and Mr. Donnell Choy of the City's Attorney Office, the Navy is setting up a meeting between the Navy, TIDA, and the Office of Base Reuse and Development to address a possible payment plan proposed by Mr. Choy. The Navy has agreed to suspend its 30-day notice until after this meeting has taken place.

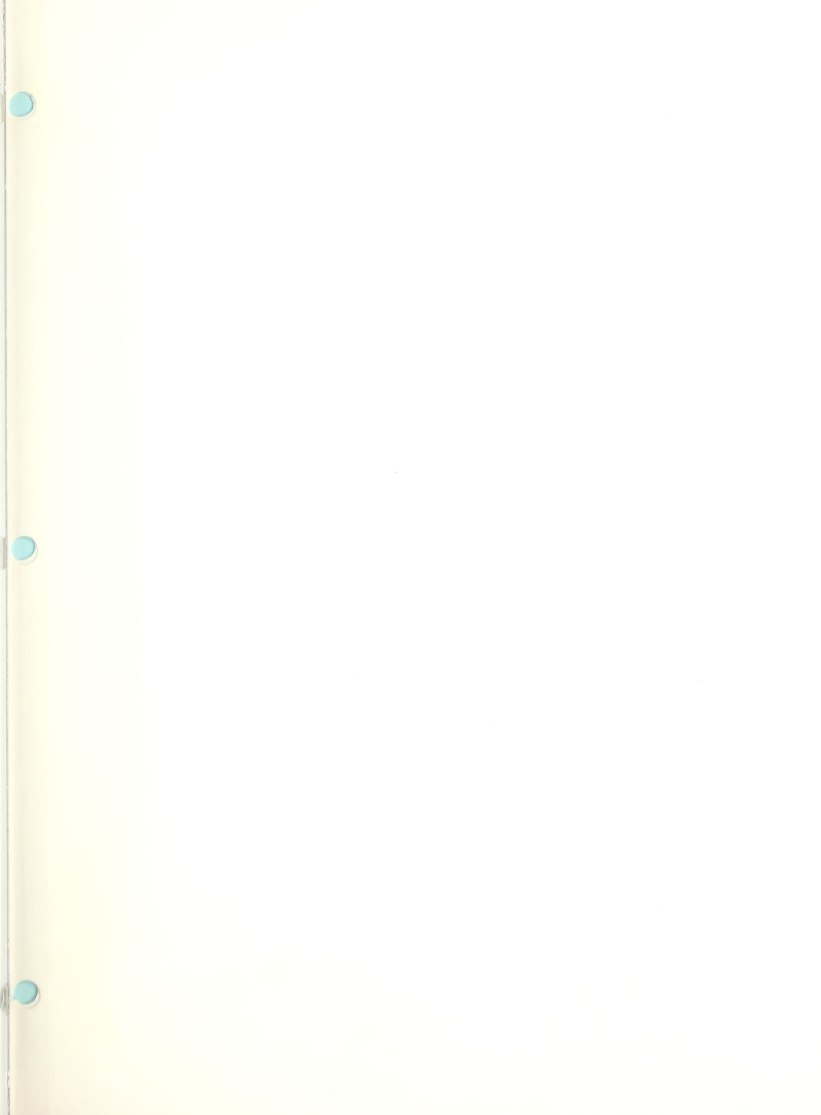
The Navy submitted the demand for payment because the debt has remained unpaid for a significant period of time, no apparent action was being taken by TIDA to pay the debt, and the issue was threatening to slow down negotiations over the transfer of Treasure Island. It is the Navy's desire to put an end to this long-standing issue as quickly as possible so that it does not become an impediment to the larger issue of property conveyance.

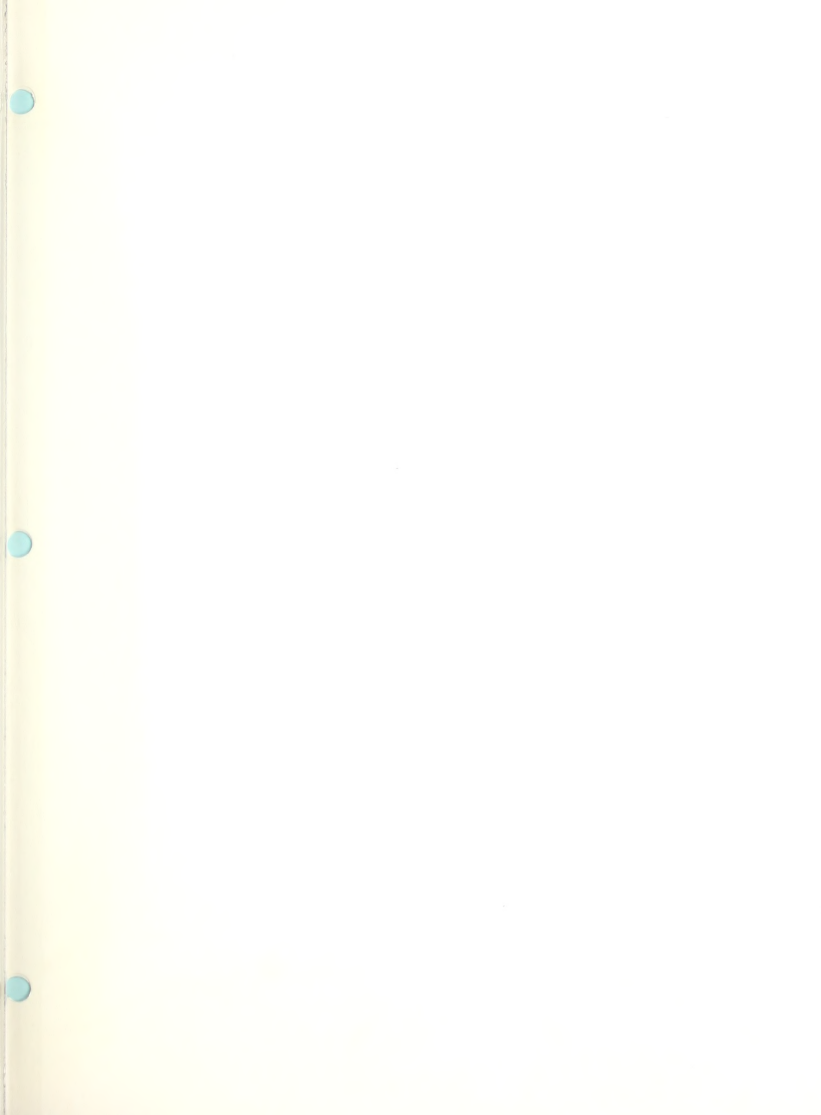
If you wish to discuss this matter, please feel free to contact me at (619) 532-0986.

Sincerely,

RON PLASEIED
Realignment Manager
By direction of the Director

Copy to:
Mr. Michael Cohen
Director, Office of Base Reuse and Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102





AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 8(b)

September 14, 2005

Subject: Authorizing the Executive Director to Enter into a Month-to-Month Sublease with Goodwill Industries of San Francisco, San Mateo and Marin Counties up to September 15, 2006, for the Use of a Portion of the Building 7 Parking Lot

Staff Contact/Phone: Marc McDonald, Facilities Manager
(415) 274-0660

SUMMARY OF PROPOSED ACTION

This item seeks the approval by the Authority to enter into a month-to-month sublease with Goodwill Industries of San Francisco, San Mateo, and Marin Counties to use a portion of the Building 7 parking lot. Rent for 20,000 square feet in the Building 7 parking lot will be \$2,200 per month, and the term of such month-to-month sublease will not exceed September 15, 2006 without further authorization from the TIDA Board of Directors.

BACKGROUND:

Goodwill's mission is to train, support, and challenge individuals to overcome employment barriers and achieve self-sufficiency through work. Goodwill envisions a community in which every person who wants to work is able to do so.

During the Navy's occupation of the islands, the Building 7 parking lot was used as a parking lot for Navy personnel. The parking lot has not been used since Naval Station Treasure Island was closed. . Goodwill Industries of San Francisco, San Mateo and Marin Counties will occupy and use a 20,000 square feet portion of the Building 7 parking lot solely for the purpose of storing vehicles. The proposed sublease prohibits any use other than the storage of the vehicles, and it expressly prohibits any repair, maintenance, or other work on the stored vehicles without the Authority's prior written consent.

RECOMMENDATION:

Staff recommends approval of the month-to-month sublease with Goodwill Industries of San Francisco, San Mateo, and Marin Counties up to September 15, 2006.

EXHIBITS:

- A. Sublease between TIDA and Goodwill Industries of San Francisco, Marin, and San Mateo Counties.

1 [Month-to-Month Sublease with Goodwill Industries for a Portion of the Building 7 Parking Lot]
2 **Authorizing The Executive Director To Enter into a Month-to-Month Sublease With**
3 **Goodwill Industries Of San Francisco, San Mateo And Marin Counties Up To September**
4 **15, 2006, For The Use Of a Portion of The Building 7 Parking Lot.**

5 WHEREAS, Former Naval Station Treasure Island is a military base located on
6 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
7 the United States of America ("the Federal Government"); and,

8 WHEREAS, The Base was selected for closure and disposition by the Base
9 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
10 subsequent amendments; and,

11 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
12 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
13 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
14 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
15 conversion of the Base for the public interest, convenience, welfare and common benefit of
16 the inhabitants of the City and County of San Francisco; and,

17 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
18 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
19 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
20 as a redevelopment agency under the California Redevelopment Law with authority over the
21 Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions
22 of the Base which are subject to Tidelands Trust, vested in the Authority the authority to
23 administer the public trust for commerce, navigation and fisheries as to such property; and

24 WHEREAS, The Tidelands Trust prohibits the sale of trust property into private
25 ownership, generally requires that Tidelands Trust property be accessible to the public and
encourages public-oriented uses of Tidelands Trust property that, among other things, attract
people to the waterfront, promote public recreation, protect habitat and preserve open space;
and

1 WHEREAS, Goodwill Industries of San Francisco, San Mateo and Marin Counties
2 mission is to train, support, and challenge individuals to overcome employment barriers and
3 achieve self-sufficiency through work; and

4 WHEREAS, Goodwill Industries of San Francisco, San Mateo and Marin Counties
5 wishes to use an approximately 20,000 square foot portion of the parking lot to Building 7 up
6 to September 15, 2006 for the purpose of storing certain of its vehicles; now therefore be it

7 RESOLVED, That the Authority hereby authorizes the Executive Director to enter into a
8 month-to-month sublease with Goodwill Industries of San Francisco, San Mateo and Marin
9 Counties for up to September 15, 2006 in substantially the form attached to this resolution as
10 Exhibit A; and be it

11 FURTHER RESOLVED, That Authority approval shall be required to further extend the
12 term of the sublease beyond September 15, 2006.

13 CERTIFICATE OF SECRETARY

14 *I hereby certify that I am the duly elected and acting secretary of the Treasure*
15 *Island Development Authority, a California nonprofit public benefit corporation, and*
16 *that the above Resolution was duly adopted and approved by the Board of Directors of*
17 *the Authority at a Properly noticed meeting on September 14th, 2005.*

18
19

Susan Po- Rufino, Secretary

SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

Goodwill Industries of San Francisco, San Mateo, and Marin Counties

as Subtenant

For the Sublease of

**a Portion of the Building 7 Parking Lot
Naval Station Treasure Island
San Francisco, California**

September, 15, 2005

TREASURE ISLAND SUBLEASE

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LIST OF EXHIBITS:

EXHIBIT A -- Master Lease

EXHIBIT B -- Drawing of the Premises

EXHIBIT C -- Cover Page of Seismic Report

EXHIBIT D -- Rules and Regulations

EXHIBIT E -- TIHDI Work Force Hiring Plan

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated as of this 15th day of September, 2005, is by and between the Treasure Island Development Authority ("Sublandlord") and Goodwill Industries of San Francisco, San Mateo and Marin Counties ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease (the "South Waterfront Master Lease" or "Master Lease") dated September 4, 1998, as amended from time to time, a copy of which is attached hereto as Exhibit A. Under the South Waterfront Master Lease, the Master Landlord leased to Sublandlord certain real property, including a paved parking area adjacent to Building 7 located on Treasure Island Naval Station (the "Property"), all as more particularly shown and described in the Master Lease.

B. Subtenant desires to sublet a portion of the paved parking lot adjacent to Building 7, consisting of approximately 20,000 square feet, all as shown in the diagram attached hereto as Exhibit B (the "Premises"). Subtenant desires to sublet the Premises from Sublandlord and Sublandlord is willing to sublet the Premises to Subtenant on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. PREMISES

1.1. Subleased Premises. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises.

1.2. As Is Condition of Premises.

(a) **Inspection of Premises.** Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 1.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) **As Is; Disclaimer of Representations.** Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose or compliance with disability access laws.

(c) **Seismic Report.** Without limiting Section 1.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions," prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit

C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

2. COMPLIANCE WITH MASTER LEASE

2.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein

2.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities, or the performance of any of Master Landlord's obligations under the Master Lease.

2.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

2.4. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

2.5. Automatic Termination. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

3. TERM

3.1. Term of Sublease. The term of this Sublease (the "Term") shall commence on September 15, 2005(the "Commencement Date") and continue on a month-to-month basis and automatically expiring on September 15, 2006(the "Expiration Date"), subject to Section 3.2

below, or unless sooner terminated pursuant to the terms of this Sublease.

3.2. Effective Date. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, or (iii) the Commencement Date.

4. RENT

4.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Two Thousand Two Hundred Dollars (\$2,200.00) per month (the "Base Rent") for the Premises. Base Rent shall be paid to the Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 20.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Rent for such fractional month shall be prorated based on a thirty (30) day month.

4.2. Additional Charges. In addition to Base Rent, Subtenant shall pay any and all real property taxes, possessory interest taxes and other costs, impositions and expenses related to the Premises as provided in Section 5 hereof, plus all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder and all utility charges, and any common area maintenance charge (the "Navy CAM Charge") levied by the Master Landlord on the Premises pursuant to the Master Lease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

4.3. Late Charge. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

4.4. Default Interest. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of the greater of the interest rate in effect that has been established by the Secretary of Treasury pursuant to Public Law, as described in Section 33 of the Master Lease, or ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which

late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

5. TAXES, ASSESSMENTS AND OTHER EXPENSES

5.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility.** Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens.** Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information.** Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

5.2. Other Expenses. This is a "triple net" Sublease. Accordingly, Subtenant shall be responsible for any and all other charges, costs and expenses related to its use, occupancy, operation or enjoyment of the Premises or any Alterations permitted thereon, including, without limitation, the cost of any utilities, maintenance or services necessary for Subtenant's use.

5.3. Evidence of Payment. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

6. USE; COVENANTS TO PROTECT PREMISES

6.1. Subtenant's Permitted Use. Subtenant may use the Premises for the storage of Subtenant's automobiles and other vehicles, but for no other use without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion. In further elaboration of the foregoing sentence, nothing in this Sublease shall be construed to permit Subtenant to perform any maintenance, repair, or other work on any of the automobiles or other vehicles to be stored on the Premises without Sublandlord's prior written consent.

6.2. Subtenant's Access to the Premises. As provided in Section 30 of the Master Lease, Subtenant will have access to the Premises twenty-four hours per day, seven days a week.

6.3. Rules and Regulations. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time and which are provided to Subtenant in advance of the enforcement thereof.

6.4. Easements. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"), provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

6.5. No Interference with Navy Operations. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over the Subtenant's use of the Premises in the event of any conflict, provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

6.6. No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises or on or about the Property. Subtenant further agrees not to commit, suffer, or permit any waste or nuisance in, on or about the Premises.

7. ALTERATIONS

7.1. Alterations. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may be given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of such construction at all times.

7.2. Ownership of Alterations. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 7 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant subject to the provisions of Section 18 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's

Personal Property.

7.3. Sublandlord's Alterations. Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the Premises, provided that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for purposes stated herein.

8. REPAIRS AND MAINTENANCE

8.1. Subtenant Responsible for Maintenance and Repair. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

8.2. Utilities. Subtenant shall be responsible for furnishing, at its sole cost and expense, any utilities and services that Subtenant may need for its use of the Premises.

8.3. Trash. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit D. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

8.4. No Right to Repair and Deduct. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

9. LIENS

Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

10. COMPLIANCE WITH LAWS

10.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary, provided however, that Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations or use of the Premises made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, and all present and future Environmental Laws (as defined in this Sublease below). No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

10.2. Regulatory Approvals.

(a) **Responsible Party.** Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or

penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties") against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

10.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

11. ENCUMBRANCES

11.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

12. DAMAGE OR DESTRUCTION

12.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 16 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more than Ten Thousand Dollars (\$10,000) to repair, either Party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 18 (except for damage caused by the casualty pursuant to which this Sublease may be terminated under this Section 12.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 12.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the

Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 7.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of such a casualty.

12.2. **No Abatement in Rent.** In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 12.1 above, there shall be no abatement in the Rent payable hereunder.

12.3. **Waiver.** The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

13. ASSIGNMENT AND SUBLETTING

13.1. **Restriction on Assignment and Subletting.** Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises, without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion.

14. DEFAULT; REMEDIES

14.1. **Events of Default.** Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) **Failure to Pay Rent.** Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) **Covenants, Conditions and Representations.** Any failure to perform or comply with any other covenant, condition or representation made under this Sublease, provided Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord.

(c) **Vacation or Abandonment.** Any abandonment of the Premises for more than fourteen (14) consecutive days.

(d) **Bankruptcy.** The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted.

14.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages.** The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver.** The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

14.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord, where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

15.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of any buildings in the vicinity of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time

this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Indemnified Parties decision to Sublease the Premises to the Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

Subtenant's Initials: _____

15.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees, (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises, including without limitation, a partial or complete collapse of any buildings in the vicinity of the Premises due to an earthquake or subsidence (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises, (f) any construction or other work undertaken by Subtenant on or about the Premises whether before or during the Term of this Sublease; or (g) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, or of any trespassers, in, on or about the Premises or any Alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused by solely the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. Notwithstanding the foregoing, Subtenant's obligations to indemnify the Indemnified Parties under this Section 15.2 shall remain in full force and effect regardless of whether or not the Indemnified Parties' decision to Sublease the Premises to the Subtenant, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

16. INSURANCE

16.1. Subtenant's Insurance. Without in any way limiting Subtenant's liability pursuant to Section 15 hereof, Subtenant shall procure and maintain throughout the Term of this Sublease and pay the cost thereof the following insurance:

(a) **Property Insurance.** A standard fire and extended coverage insurance policy insuring the Premises, including, without limitation, fixtures, Alterations, furniture and

equipment located thereon, in an amount not less than their full replacement value.

(b) **Commercial General Liability Insurance.** Commercial general liability insurance, including without limitation, claims for bodily injury, property damage or employer's liability occurring in or upon the Premises arising from earthquakes or subsidence, with limits not less than One Million Dollars (\$1,000,000.00) each occurrence combined single limit. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CG-00-01-11-88.

(c) Workers' compensation insurance with employer's liability insurance covering all persons employed and with respect to whom death or bodily injury claims could be asserted against Sublandlord, Subtenant, the Premises or any other Sublandlord property, in an amount not less than One Million Dollars (\$1,000,000.00) each accident.

(d) Business automobile liability insurance with limits not less than One Million Dollars (\$1,000,000.00) each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Subtenant uses automobiles in connection with its use of the Premises. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CA-00-01-06-92.

16.2. General Requirements. All insurance provided for under this Sublease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and reasonably approved by Sublandlord.

(a) Should any of the required insurance be provided under a claims-made form, Subtenant shall maintain such coverage continuously throughout the term hereof and, without lapse, for a period of one (1) year beyond the expiration or termination of this Sublease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Sublease, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall be double the occurrence or claims limits specified above.

(c) All liability insurance policies shall be endorsed to provide the following:

(i) Cover Subtenant as the insured and the Sublandlord and the Master Landlord as additional insureds.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Sublease, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the

coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(iii) All policies shall be endorsed to provide thirty (30) days' advance written notice to Sublandlord of cancellation, non-renewal or reduction in coverage, mailed to the address(es) for Sublandlord set forth in Section 20.1.

16.3. Proof of Insurance. Subtenant shall deliver to Sublandlord certificates of insurance in form and with insurers satisfactory to Sublandlord, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon Sublandlord's request, and Subtenant shall provide Sublandlord with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. As to the insurance required pursuant to Section 16.1(b) above, such certificate shall state, among other things, that such insurance coverage includes and shall cover Subtenant's indemnity obligations under Section 15.2 above. In the event Subtenant shall fail to procure such insurance, or to deliver such policies or certificates, Sublandlord may, at its option, procure the same for the account of Subtenant, and the cost thereof shall be paid to Sublandlord within five (5) days after delivery to Subtenant of bills therefor.

16.4. No Limitation on Indemnities. Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

16.5. Lapse of Insurance. Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

16.6. Subtenant's Personal Property. Subtenant shall be responsible, at its expense, for separately insuring Subtenant's Personal Property.

16.7. Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, Subtenant hereby waives any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Premises and their contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Premises, or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises carried by Subtenant does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Subtenant shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against Sublandlord or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

17. ACCESS BY SUBLANDLORD

17.1. Access to Premises by Sublandlord.

(a) **General Access.** Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access.** In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability.** Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

17.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

18. SURRENDER

18.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the

demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Law.

18.2 No Holding Over. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

18.3 Security Deposit. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount of Four Thousand Four Hundred Dollars (\$4,400.00) as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 18.3, Sublandlord shall return such security deposit to Sublandlord within forty-five (45) days of the termination of this Sublease.

19. HAZARDOUS MATERIALS

19.1. No Hazardous Materials. Subtenant covenants and agrees that neither Subtenant nor

any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Without limiting the foregoing, Subtenant acknowledges and agrees that it shall be bound by and will comply with the environmental protection provisions provided for in Section 13 of the Master Lease.

19.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 15.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines,

natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

19.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

20. GENERAL PROVISIONS

20.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid as follows:

Notice Address of Sublandlord

Treasure Island Development Authority
410 Avenue of Palms,
Building 1, Second Floor

San Francisco, CA 94130
Attn: Executive Director
Fax No.: 415-274-0299

with a copy to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Donnell Choy
Fax No.: (415) 554-4755

Notice Address of Subtenant:

Goodwill Industries of San Francisco, San Mateo,
And Marin Counties
1500 Mission St.
San Francisco, CA 94112
Attn: Deborah Alvarez- Rodriguez
Phone No. (415) 525-2100
Fax No. (415) 575-2170

Notice Address of Master Landlord: Commanding Officer (Code 24)

Southwest Division
Naval Facilities Engineering Command
1220 Pacific Highway
San Diego, California 921232-5190 [

Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice..

20.2. No Implied Waiver. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of

time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

20.3. Amendments. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

20.4. Authority. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

20.5. Joint and Several Obligations. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

20.6. Interpretation of Sublease. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

20.7. Successors and Assigns. Subject to the provisions of Section 13, the terms, covenants

and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

20.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

20.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

20.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

20.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

20.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes

of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

20.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

20.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

20.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

20.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

20.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

20.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or

breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

20.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

20.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord

21. SPECIAL PROVISIONS

21.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

21.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

21.3. TIHDI Job Broker. Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit E.

21.4. Local Hiring. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

21.5. Non-Discrimination.

(a) **Covenant Not to Discriminate.** In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges,

services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) Subleases and Other Subcontracts. Subtenant shall include in all subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Non-Discrimination in Benefits. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) HRC Form. As a condition of this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting documentation; and (ii) the HRC shall have approved such form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

21.6. No Relocation Assistance; Waiver of Claims. Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated or expires by its own terms, and Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against,

and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Sublease with respect to a condemnation of the Premises.

21.7. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

21.8. Tropical Hardwood and Virgin Redwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

21.9. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of (i) Section 15.103 of the San Francisco Charter, (ii) Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and (iii) Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

21.10. Prevailing Wages for Construction Work. Subtenant agrees that any person performing labor in the construction of any improvements or Alterations to the Premises that Subtenant provides under this Sublease shall be paid not less than the highest prevailing rate of wages as required by Section 6.22E of the San Francisco Administrative Code, shall be subject to

the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such improvements or Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of any improvements or Alterations.

21.11. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Sublandlord or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

21.12. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

21.13 Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-I provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

**Goodwill Industries of San Francisco, San Mateo
And Marin Counties**

By: _____

Deborah Alvarez- Rodriguez

Its: _____

SUBLANDLORD:

**TREASURE ISLAND DEVELOPMENT
AUTHORITY**

By: _____

Tony Hall

Its: Executive Director

Approved as to Form:

DENNIS J. HERRERA,
City Attorney

Deputy City Attorney

EXHIBIT A

MASTER LEASE

EXHIBIT B

DRAWING OF THE PREMISES



BUILDING 7 PARKING LOT

39FT² APPROX. MEASUREMENT

AVENUE N

GOODWILL

20,000 SQFT

4th ST

AVENUE M

EXHIBIT C

COVER PAGE OF SEISMIC REPORT

EXHIBIT D

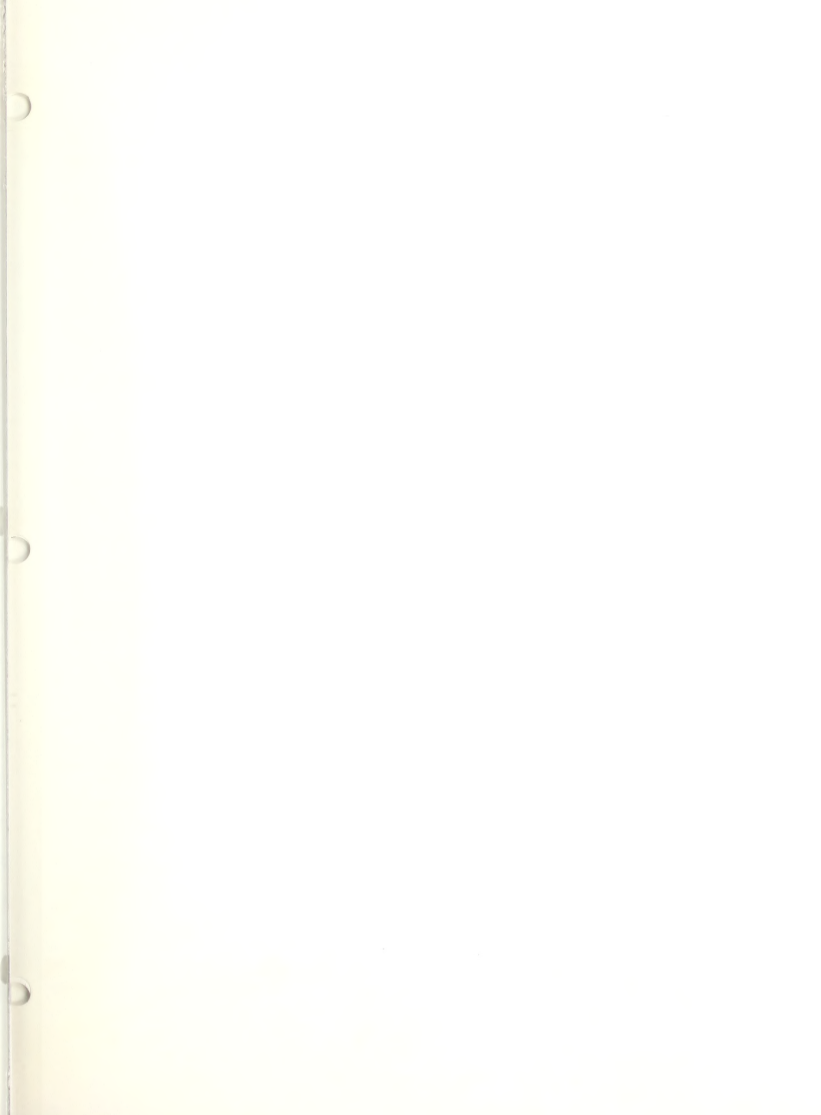
STANDARD RULES AND REGULATIONS

RULES AND REGULATIONS

1. All rules and regulations set out in the Master Lease and First Amendment shall prevail.
2. No signs, advertisements or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Islands, without prior written approval of Sublandlord. Such signs must be removed within 24 hours of vacancy, or the termination of the approved event or activity, or at the request of Sublandlord.
3. Sublandlord shall have the right to prohibit Subtenant's use of the Building name or photo in its advertisement.
4. All persons entering or exiting the Premises, or Building may be required to present the appropriate pass and sign in and out.
5. Temporary notices are not to be taped, thumbtacked, nailed or glued to doors or walls.
6. Subtenant's contractor, while on the Premises or Subtenant's parking area, shall be subject to these Rules and Regulations, and will also be subject to direction from Sublandlord and its agents, but will not be an agent or contractor of the Sublandlord or its agents. Subtenant's contractor shall be licensed by the State, insured and bonded at the amount requested by the Sublandlord.
7. If the demised Premises or any part of the Building becomes infested with pests as a result of the use or neglect on the part of the Subtenant, the Subtenant shall be solely responsible for the immediate extermination costs.
8. If, as a result of any governmental rule or regulation or law, Sublandlord imposes a curtailment of services or a reduction of energy usage, the Subtenant shall comply and shall be liable for any surcharges imposed upon Sublandlord for non-compliance.
9. Subtenant shall install and maintain those in existence at Building turn over, at Subtenant's expense, fire extinguishers, per local governmental regulations or law.
10. Subtenant shall install and maintain at Subtenant's expense, any life safety equipment required by governmental rules, regulations, or laws to be kept on the Premises.
11. Subtenant and Subtenant's agents and employees shall park only in those areas designated by Sublandlord to be within the lines in Exhibit B, Drawing of Premises.
12. Subtenant is subject to fine for each parking violation by Subtenant, Subtenant's employees, agents, invitees, or licensees.
13. Subtenant will provide information about and encourage all employees to maximize usage of transit, carpool, and ferry services available.
14. Subtenant will attempt to schedule deliveries and other major vehicular activities so as to avoid hours of maximum Bay Bridge traffic congestion.
15. Subtenant will consider flexibility in working hours, tele-commuting options and other programs to reduce island and Bay Bridge traffic congestion.
16. Subtenants will provide Sublandlord with a list of vehicular and trip reduction efforts it will undertake, prior to building occupancy.
17. Special Events expected to attract more than 110% the average number of employees, clients, subtenants, contractors, agents, or visitors must be pre-authorized 72 hours in advance by Sublandlord. Additional parking fees, shuttle or ferry service

EXHIBIT E

TIHDI WORK FORCE HIRING PLAN



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. **9**

Meeting of September 14, 2005

Subject: Resolution authorizing the Executive Director of the Treasure Island Development Authority to take all actions necessary to (1) establish the Authority as the employer of record of all Authority staff, (2) negotiate a short-term extension of the Agency Agreement with the San Francisco Redevelopment Agency on a month-to-month basis not to exceed three months, and (3) effectuate a roll-over of existing Authority staff from the San Francisco Redevelopment Agency to direct employment at the Authority (*Action Item*)

Contact/Phone: Tony Hall, Executive Director
Frank Gallagher, Deputy Director
John Farrell, Chief Financial Officer
274-0660

Background

TIDA is a small agency with 12 staff members, including one who is work-ordered to the Mayor's Office of Base Reuse. The agency's mission, briefly, is three-fold: 1) to facilitate the acquisition and development of the former Naval Station Treasure Island on behalf of the City and County of San Francisco, 2) to provide municipal services to the more than 3,000 people who live and work on the island during the interim and 3) to maintain the existing facilities that provide the agency's stream of operating revenues.

The Treasure Island Development Authority operated under the auspices of the Mayor's Office from its creation in February 1998 through June 2004, when it engaged in a temporary operating agreement with the San Francisco Redevelopment Agency. The term of the agency agreement with the SFRA was for six months, with a provision for month-to-month operations thereafter, provided that any cumulative extension beyond one year shall require the approval of the TIDA Board of Directors and the SFRA Commission.

This agreement, including the limited month-to-month provision, expired at the end of June 2005 and was subsequently extended by TIDA and the SFRA Commission through September 2005.

It should be noted that the Agency Agreement, when it was initially put in place, was intended as nothing more than a temporary measure until TIDA could be established as an employer of record.

In fact, the staff summary of the item before the TIDA Board of Directors on June 9, 2004 stated, "It is clearly understood that the arrangement to provide specified staff for the Project Office under the Agreement is temporary in nature until TIDA can form its own, stand-alone agency

directly hiring its own personnel and providing retirement and health benefits under the CalPers system.”

Under the Agency Agreement, the SFRA provides TIDA with Human Resources services, including:

- Personnel policies
- Benefits administration
- Human resources and personnel actions
- Labor relations, including negotiating agreements
- Payroll services, except for the Executive Director, which is provided by TIDA directly

TIDA, as an agency, is already providing:

- Financial policies and procedures
- Accounts payable services
- General accounting services
- Investment of surplus cash, should such be necessary
- Independent audit coordination and,
- Employment tax filings

In exchange for these partial HR services provided by the Redevelopment Agency, TIDA compensates the SFRA approximately \$189,258 annually.

Previously, TIDA staff, working with SFRA staff and representatives of the Office of the City Attorney, developed three alternatives for consideration by the TIDA Board of Directors:

1. Remain with the San Francisco Redevelopment Agency
2. Establish TIDA as an employer of record or,
3. Contract with a Professional Employment Organization for these services

Option 1

Option 1 entails simply extending the existing agency agreement between TIDA and SFRA. Under this arrangement, the SFRA would continue to provide personnel policies and actions (hiring, performance reviews, disciplinary actions and termination), labor relations, payroll services and insurance, including fiduciary, general and liability coverage. TIDA would continue to provide financial policies and procedures, accounts payable services, general accounting services, investment of surplus cash, independent audit coordination and employment tax filings. It should also be noted that while the responsibility for personnel actions rests with the SFRA, in practice they are executed by TIDA.

In exchange for these services, TIDA would pay the SFRA an administrative fee.

The cost to TIDA, at present, for these services is approximately \$189,000, according to the agency agreement.

This option is not practical for a number of reasons.

1. It is more efficient, and is in keeping with the existing labor MOUs, for employees to be officially managed by the agency they work for, and
2. The original expectation when the employees briefly joined SFRA was that TIDA would become the employer of record.

Moreover, the two labor unions that represent TIDA employees, Service Employees International Union Local 790 and the International Federation of Professional and Technical Employees Local 21 have indicated that extending the agency agreement is unacceptable to them.

Option 2

Under Option 2, TIDA would be established as the employer of record, directly employing the individuals who currently comprise the agency's staff.

At this juncture, TIDA has a vacant, funded staff position available. This position would be used to hire an on-site Human Resources Director who would attend to TIDA's HR needs, including:

- Personnel policies
- Human resources and personnel actions
- Payroll services, and
- Benefits administration

The remaining financial services are already handled by TIDA staff. These include:

- Financial policies and procedures
- Accounts payable services
- General accounting services
- Investment of surplus cash, should such be necessary
- Independent audit coordination and,
- Employment tax filings

With respect to employment claims liability, Deputy City Attorney Larry Hecimovich noted that the existing arbitration and grievance procedure outlined in the current MOUs would address the vast majority of employment claims that may arise.

Option 3

Under Option 3, TIDA would enter into an agreement with a Professional Employment Organization (PEO) such as Local Government Services (LGS) to provide services that would meet all of the needs outlined above.

Entering into a contract with LGS requires that LGS assume the status of employer of record; therefore TIDA's status as a union shop cannot be guaranteed in the longer term. Indeed, a survey of agencies that employ LGS in this capacity, including the San Francisco Transbay Terminal Joint Powers Authority, revealed that they are non-union workplaces.

For that reason, Option Three is not acceptable.

Staff Recommendation: Establish TIDA as an employer of record, as was originally intended when the temporary Agency Agreement was approved in June 2004.

[Authorizing the Executive Director to establish the Authority as employer of record of staff.]

Resolution authorizing the Executive Director of the Treasure Island Development Authority to take all actions necessary to (1) establish the Authority as the employer of record of all Authority staff, (2) negotiate a short-term extension of the Agency Agreement with the San Francisco Redevelopment Agency on a month-to-month basis not to exceed three months, and (3) effectuate a roll-over of existing Authority staff from the San Francisco Redevelopment Agency to direct employment at the Authority.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "TIDA") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California Legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of Supervisors on the expenditure or

1 encumbrance of budgetary funds appropriated to TIDA (Section 33126 of the California Health
2 and Safety Code); and,

3 WHEREAS, Under Article V, Section 2 of TIDA's Bylaws, the TIDA Board of Directors
4 has the power to appoint and remove, at the pleasure of the Board, all of TIDA's officers,
5 agents, and employees; and,

6 WHEREAS, Until August 4, 2004, the Authority has not had any direct employees,
7 instead relying on certain City employees (the "Project Office") to provide the staff support
8 necessary for the Authority to fulfill its lawful purposes (the "Services"), pursuant to the terms
9 and conditions of that certain Agency Agreement, by and between the City and the Authority
10 dated February, 1998 (the "City Agency Agreement"); and,

11 WHEREAS, On June 9, 2004, this Board of Directors authorized the termination of the
12 City Agency Agreement and approved an Agency Agreement with the San Francisco
13 Redevelopment Agency (the "SFRA Agency Agreement") for the provision of staff services to
14 the Authority; and,

15 WHEREAS, The purpose of the SFRA Agency Agreement was to have members of the
16 Project Office temporarily become employees of the San Francisco Redevelopment Agency
17 while the Authority explored means of hiring directly its own employees as a separate
18 redevelopment agency under California law; and,

19 WHEREAS, After exploring various alternatives, the Authority Board of Directors
20 wishes to take steps to directly employ all Authority staff currently employed by the San
21 Francisco Redevelopment Agency; now, therefore, be it

22 RESOLVED, That the Authority Board of Directors hereby authorizes the Executive
23 Director to take all actions necessary to (1) establish the Authority as the employer of record
24 of all Authority staff, (2) negotiate and execute a short-term extension of the Agency
25 Agreement with the San Francisco Redevelopment Agency on a month-to-month basis not to

1 exceed three months, and (3) effectuate a roll-over of existing Authority staff from the San
2 Francisco Redevelopment Agency to direct employment at the Authority; and be it

3 FURTHER RESOLVED, That the Executive Director is directed to develop personnel
4 rules, regulations, and employment classifications for the Board of Directors' review and
5 approval.

6
7 **CERTIFICATE OF SECRETARY**

8 I hereby certify that I am the duly elected Secretary of the Treasure Island
9 Development Authority, a California nonprofit public benefit corporation, and that the
10 above Resolution was duly adopted and approved by the Board of Directors of the
11 Authority at a properly noticed meeting on September 14, 2005.

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Susan Po-Rufino, Secretary
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[Extending the Agency Agreement with the San Francisco Redevelopment Agency]
Authorizing the Executive Director to enter into a month-to-month extension of the Agency Agreement between the Authority and the San Francisco Redevelopment Agency not to exceed three months.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Until August 4, 2004, the Authority has not had any direct employees, instead relying on certain City employees (the "Project Office") to provide the staff support necessary for the Authority to fulfill its lawful purposes (the "Services"), pursuant to the terms

1 and conditions of that certain Agency Agreement, by and between the City and the Authority
2 dated February, 1998 (the "City Agency Agreement"); and,

3 WHEREAS, On June 9, 2004, this Board of Directors authorized the termination of the
4 City Agency Agreement and approved an Agency Agreement with the San Francisco
5 Redevelopment Agency (the "SFRA Agency Agreement") for the provision of staff services to
6 the Authority; and,

7 WHEREAS, On June 8, 2005, this Board of Directors approved an extension of the
8 SFRA Agency Agreement to September 30, 2005, to allow the Board and staff to continue to
9 analyze the long term options for the administrative structure; and,

10 WHEREAS, This Board of Directors has determined that it is in the best interests of the
11 Authority to extend the SFRA Agency Agreement for another three (3) months under the
12 same terms and conditions of the SFRA Agency Agreement; now therefore, be it,

13 RESOLVED, That the Authority hereby approves a three (3) month extension of the
14 SFRA Agency Agreement under the same terms and conditions of the existing SFRA Agency
15 Agreement and authorizes the Executive Director to execute an amendment to the SFRA
16 Agency Agreement or other appropriate document, approved by the City Attorney, consistent
17 with the intent of this resolution.

18 CERTIFICATE OF SECRETARY

19 I hereby certify that I am the duly elected Secretary of the Treasure Island
20 Development Authority, a California nonprofit public benefit corporation, and that the
21 above Resolution was duly adopted and approved by the Board of Directors of the
22 Authority at a properly noticed meeting on September 14, 2005.

23
24
25 _____
Susan Po-Rufino, Secretary

OFFICE OF THE CITY ATTORNEY



DENNIS J. HERRERA
City Attorney

DIRECT DIAL: (415) 554-3933
E-MAIL: LARRY.HECIMOVICH@sfgov.org

TO: Claudine Cheng
President, Board of Directors
Treasure Island Development Authority

FROM: Lawrence Hecimovich
Deputy City Attorney

DATE: September 8, 2005

RE: Guidelines For Adoption of Performance Evaluation Criteria
Pursuant to Tony Hall Individual Employment Agreement

This memo is in response to the Board's request for a brief overview of options available to the Board in conducting an evaluation of the Executive Director's performance, as contemplated by his Employment Agreement dated August 4, 2004. The Employment Agreement provides that "at the end of the first year, and every subsequent year of this Agreement, the Authority shall conduct an annual performance review to evaluate Hall's performance and review his compensation."

The determination of performance criteria and weighting of performance factors to be included in a performance evaluation is generally a function of organizational objectives and priorities, not dictated by legal requirements. In general, most performance evaluations should consider whether and how well the employee has fulfilled the position's duties and expectations.

Obviously the formality and level of detail in any performance review will vary not only with the employee's position and responsibilities, but with the employer's own practices and concerns and various other factors. In this instance, the Employment Agreement does not specify any particular evaluation process, so the Board has broad discretion to determine what evaluation process to use.

For purposes of reference, I am attaching a sample blank performance review prepared by the City's Department of Human Resources and available on DHR's website. This form contains some of the standard components of a typical performance review, including sections for the employee's job description, identification of key performance objectives for the review period, the employer's objectives, and professional development objectives.

In addition, I am attaching a section of the Performance Management Program for Managers and Executives, developed by the City and the Municipal Executives Association. Like the sample review form, this document was developed for the City's use with City employees, and is offered only for purposes of example. The attached section, Elements of the Performance Plan, provides guidance on the identification and articulation of goals, objectives and rating criteria in a performance review.

The Board is free to make use of the attached materials to the extent it deems appropriate.



CITY AND COUNTY OF SAN FRANCISCO

Performance Plan and Appraisal Report

I. EMPLOYEE IDENTIFICATION INFORMATION

1. LAST NAME, FIRST NAME, MIDDLE INITIAL	2. JOB CODE NUMBER AND TITLE	3. STATUS <input type="radio"/> Permanent (PCS) <input type="radio"/> Provisional (TPV) <input type="radio"/> Permanent Exempt (PEX) <input type="radio"/> Temporary Exempt (TEX) <input type="radio"/> Temporary Civil Service (TCS) <input type="radio"/> Limited Tenure (Restricted Use) (TLT) <input type="radio"/> Non Civil Service (Restricted Use) (NCS)
4. WORK LOCATION & DIVISION	5. DEPARTMENT	6. REASON FOR REPORT <input type="radio"/> Annual <input type="radio"/> Dept. Review Period <input type="radio"/> Probationary <input type="radio"/> Unscheduled
	7. REVIEW PERIOD	8. PROBATION START AND END DATE

II. EXPLANATIONS OF SECTIONS

I. EMPLOYEE IDENTIFICATION INFORMATION — Basic information about the employee, his/her status, and the review period.

II. EXPLANATION OF SECTIONS — Basic information about what should be included in each section of the Performance Plan And Appraisal Report.

III. JOB DESCRIPTION OR COMPETENCY MODEL — Detailed information regarding functional (working) title, supervisor, work schedule, job functions, duties, and responsibilities.

IV. PERFORMANCE PLAN — Key Objectives — Most important objectives for the review period (e.g., year).

Departmental Objectives (Optional) — Objectives that are department-wide (examples: Customer Service, Teamwork, Safety, etc.).

Professional Development Plan — Objectives related to what the employee will do during the review period to develop his/her knowledge and skills to increase his/her value to the organization.

V. PERFORMANCE APPRAISAL REPORT — Rating and comments on each Performance Plan objective.

VI. APPRAISAL REPORT SUMMARY

A. Overall Performance Rating — Reporting Supervisor's/Manager's rating of the employee's overall performance over the appraisal review period. The purpose of the continuum line is to give supervisors a way to show employees how the supervisor sees their overall performance across the scale.

B. Comments Regarding Overall Performance — Narrative explanation of the rating of overall performance during the appraisal report review period.

The following areas can be addressed in this section:

- | | | |
|--|--------------------------------------|--|
| ◆ Overall Performance of Job Description | ◆ Attendance And Punctuality | ◆ Effectiveness Of Working With Others |
| ◆ Results of Performance Objectives | ◆ Quantity Of Work Performed | ◆ Use Of Materials And Equipment |
| ◆ Knowledge Of Job | ◆ Quality Of Work Performed | ◆ Safety |
| ◆ Employee's Strengths | ◆ Adaptability To The Work Situation | ◆ Performance Plans |
| ◆ Achievements | | |

In addition to the areas above, the following areas can be addressed for supervisors/managers:

- | | | |
|----------------------------|---------------------------|-------------------|
| ◆ Communicating | ◆ Planning | ◆ Decision Making |
| ◆ Directing and Motivating | ◆ Training and Developing | |

C. Employee Guidelines — Guidelines for employees regarding the Performance Plan and Appraisal Report.

VII. SIGNATURE PAGE

A. Plan Sign-Off Meeting — Signatures of both the supervisor and the employee and the date they met to finalize the plan.

B. Mid-Period Performance Review Meeting — Signatures of both the supervisor and the employee and the date they met to review progress on the plan.

C. Reporting Supervisor/Manager — Information regarding the reporting supervisor/manager. This is the person who directly supervises the employee's performance.

D. Employee's Statement — Employee's opportunity to respond to the Performance Plan and Appraisal Report using a checklist, signature, and date. Signing the report only certifies that the employee has read the report. It does not indicate, unless marked, that the employee agrees with the report.

E. Reviewer's Certification — Information regarding the reviewer of the report. This is the person who directly supervises the reporting supervisor/manager.

III. JOB DESCRIPTION

A. Functional/Working Title: (may be different from Job Code Title)

B. Reports To: (supervisor's or manager's name and title)

C. Work Schedule: (days and hours)

D. Job Description or Competency Model:

(Combines Job Code Specifications, Job Announcement, and specific job functions, duties, responsibilities)

IV. PERFORMANCE PLAN KEY OBJECTIVES FOR REVIEW PERIOD Review Period: xx/xx/xx – xx/xx/xx	V. APPRAISAL REPORT RATINGS 1-Did Not Meet Objective 2-Met Objective 3-Exceeded Objective
1.	Rating: # Reason(s) for Rating:
2.	Rating: # Reason(s) for Rating:
3.	Rating: # Reason(s) for Rating:
4.	Rating: # Reason(s) for Rating:
5.	Rating: # Reason(s) for Rating:
DEPARTMENTAL OBJECTIVE (S)	
1.	Rating: # Reason(s) for Rating:
2.	Rating: # Reason(s) for Rating:
PROFESSIONAL DEVELOPMENT OBJECTIVE (S)	
1.	Rating: # Reason(s) for Rating:
2.	Rating: # Reason(s) for Rating:

VI. APPRAISAL REPORT SUMMARY

A. OVERALL PERFORMANCE RATING

The appraisal report on overall performance should include a consideration of all items in the Job Description, Departmental policies and procedures, and the Performance Plan's Key Objectives for the review period. Circle the appropriate number on the continuum.

Does not meet Reporter's expectations for overall performance for this position.	Meets Reporter's expectations for overall performance for this position. <i>Meets Competent and Effective Requirement</i>	Exceeds Reporter's expectations for overall performance for this position.
1 — 2 — 3	4 — 5 — 6	7 — 8 — 9

B. COMMENTS REGARDING OVERALL PERFORMANCE

C. EMPLOYEE GUIDELINES -- PERFORMANCE PLAN AND APPRAISAL REPORT

1. Employee should review his/her employee organization's Memorandum of Understanding with the City and County of San Francisco for information that may add to or modify the following list of guidelines.
2. Employee has the right to read the Performance Plan and Appraisal Report.
3. Employee has the right to receive a copy of the Performance Plan and Appraisal Report.
4. Employee has the right to discuss the report with the Reporting Supervisor or Manager.
5. Employee has the right to attach a rebuttal to the Performance Appraisal Plan and Report. Unless otherwise provided in the collective bargaining agreement that applies to the employee's Job Code, the rebuttal must be presented within 5 working days of the report date. The rebuttal should only address the items presented in the report. The 5 days may be extended at the discretion of the Reviewer for up to 30 days.
6. Employee has the right to a conference, if requested, with the Reviewer (Reporter's supervisor or manager).

VII. SIGNATURE PAGE

PERFORMANCE PLAN

A. Plan Sign-Off Meeting

1. SUPERVISOR SIGNATURE	2. EMPLOYEE SIGNATURE	3. MEETING DATE
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B. Mid-Period Performance Review Meeting

1. SUPERVISOR SIGNATURE	2. EMPLOYEE SIGNATURE	3. MEETING DATE
-------------------------	-----------------------	-----------------

PERFORMANCE APPRAISAL REPORT

C. Reporting Supervisor/Manager

1. NAME, WORK ADDRESS	2. JOB CODE NUMBER AND TITLE	3. DATE OF REPORT
		4. SIGNATURE

D. Employee's Statement

1. <input type="radio"/> I AGREE WITH THIS REPORT <input type="radio"/> I DO NOT AGREE WITH THIS REPORT: SECT. _____ NO. _____ <input type="radio"/> I REQUEST A CONFERENCE WITH THE REVIEWER <input type="radio"/> I HAVE ATTACHED A REBUTTAL	2. CONFERENCE DATE
	3. SIGNATURE CERTIFIES I HAVE READ THE REPORT
	<input type="radio"/> DECLINED TO SIGN DATE

E. Reviewer's Certification

1. NAME, WORK ADDRESS	2. JOB CODE NUMBER AND TITLE	3. DATE OF CONFERENCE/INITIALS OF THOSE PRESENT
	4. DATE OF REVIEW	
5. <input type="radio"/> I CERTIFY THAT I HAVE REVIEWED THIS REPORT.		6. SIGNATURE

TOOLS FOR COMPLETING THE FORM USING MICROSOFT WORD.

1. The following symbol can be copied over the blank box when you want to mark it with a check ☐ or ☒.
2. The following symbol can be copied over the number when you want to mark it:

① ② ③ ④ ⑤ ⑥ ⑦ ⑧ ⑨

III. Elements of the Performance Plan

A. Mission-focused goals and objectives

1. Goals

A GOAL should:

- be a statement which is short, simple, timeless and unquantified;
- begin with a verb;
- address only one major program, activity or function; and,

most importantly:

- **state a purpose that is meaningful in the context of why citizens and government officials created our departments and positions and continue to fund them.**

In order to develop individual goals and performance objectives, an employee needs to understand the mission and goals of the program and organization, and how the employee's job responsibilities tie into these larger goals. It may be helpful to start with the department's strategic plan, and/or other documents that show departmental or program goals and performance expectations. The Mayor's Budget Book includes the mission statement and a set of goals and performance measures for each department. It is also helpful for an employee to know her/his evaluator's individual goals and performance objectives.

To help set the context for your goals and objectives, you may want to answer the "Five Questions to Help Employees Develop Goals and Objectives" in Appendix B.

Goal Examples:

- Provide increased recreation opportunities for San Franciscans.
- Provide safe travel for all passengers.
- Provide clean, safe cultural centers with active programming for their communities.
- Provide training opportunities for youth.
- Ensure efficient and accurate response to requests for financial information.
- Maximize job site safety and security.

2. Objectives

An *objective* is a specific statement of a result to be achieved in order to reach a goal. An objective should meet five criteria, which form the acronym **SMART**:

S	<i>Specific</i>	State exactly what is to be achieved. Use action words.
M	<i>Measurable</i>	Identify expected outcomes and how they will be measured (e.g., quantity, quality, accuracy, time, cost, or safety).
A	<i>Attainable</i>	Good objectives are attainable, yet require you to stretch to achieve them. They should not be so difficult that you set yourself up for failure, nor so easy that you are not challenged by them.
R	<i>Results-Oriented</i>	Focus on results, rather than process or activities. A good objective should be written in terms of results or conditions to be achieved, rather than activities to be performed.
T	<i>Time-Limited</i>	Establish clear milestones to measure progress. Measurement dates must fall on or before the end of the rating period each year, so that you can evaluate your accomplishments.

Relationship of Objectives to Goals

Several objectives may fall under the same goal. In the following example, the goal statement is broad and timeless, while the objectives describe specific, measurable results that would fulfill the goal.

Goal: Provide increased recreation opportunities for San Franciscans.

Objective #1: Increase the number of hours City swimming pools are open by 20% over last year.

Objective #2: Increase the number of tennis courts that are open and in good repair from a daily average of 150 last year to an average of 165 this year.

Objective #3: Provide after-school recreation programs to 15% more youth in the 2001-2002 school year than in the previous year.

Objective #4: Increase from 52% to 70% the percentage of parents surveyed who agree with the statement, "My child has access to safe, healthy recreational activities within a reasonable distance from home."

How Many Objectives?

In order to focus your efforts and achieve your objectives, we recommend that you limit the number of objectives, by assigning each objective at least 10% of the total performance rating. The objectives that have the highest priority and/or will require the most effort may be weighted more heavily.

Challenges of Setting Objectives

In many cases, success is hard to quantify. You may have objectives that describe a result in qualitative terms, or more likely a combination. The following section on Rating Criteria includes further discussion of the various ways to measure performance.

The most common pitfall in setting objectives is a focus on activities completed, (e.g., number of meetings conducted) rather than the results achieved through those activities.

More Examples of Performance Objectives:

- Reduce maintenance closure time by 25%, from four weeks per year to three weeks per year, while maintaining a high level of customer satisfaction with facilities.
- Create 300 new drug-treatment slots by April 15, 2003.
- Issue the City's annual financial report by November 2003, and receive awards for quality from the two reviewing bodies of finance officers.
- Increase the percentage of citizens that consider street cleanliness in their neighborhood to be "good" or "very good" from 32% to 45%.
- Enroll 90% of aid recipients in an employment training program by March 31, 2004.
- Achieve 80% job retention after three months for aid recipients who find employment by January 31, 2004.

Setting clear objectives reduces the chance of disagreement over performance ratings. This process, if conducted well, avoids common performance rating errors such as: overvaluing a recent or dramatic event, giving an overall high or low rating based on a single positive or negative characteristic, or rating all staff in the middle or high range in order to avoid difficult decisions.

3. Rating Criteria

Rating criteria are standards for **measuring performance**. They describe explicitly the results that are required in order to achieve each of the five performance ratings:

- (5) Outstanding
- (4) Superior
- (3) Exceeds Standards
- (2) Competent
- (1) Needs Improvement

Some Examples of Performance Measures used in Rating Criteria

- Quantity
 - Number of clients placed in jobs
 - Number of interruptions of service
 - Number of businesses receiving outreach advertisement
- Quality
 - Receipt of accreditation or licensing
 - Expert opinion
- Accuracy
 - Error rates
 - Audit findings
- Access
 - Information is available in multiple languages
 - Multiple modes of transaction (in office, by phone or Internet, etc.)
- Satisfaction
 - Citizen or client perceptions, measured through surveys
 - Complaints filed
 - Commendation letters received
 - Number/percentage of repeat customers
- Time
 - Project completion or implementation dates
 - Percentage of monthly reporting deadlines met
 - Average response times
 - Percentage of responses within set time standards
- Cost
 - Total cost of project
 - Cost per unit produced or per client served
 - Amount over/under budget
- Safety
 - Number of incidents
 - Parts per million of contaminant
 - Certification of compliance with regulations

How to Set Rating Criteria

Usually the most effective rating criteria include **more than one type of measure**, so that they address inherent trade-offs. For example, a focus on reducing time or cost should be balanced by attention to quality. A count of the number of community meetings held might be accompanied by a measure of how effective those meetings were in reaching the public.

One way to start setting the rating criteria for an objective is to define “competent” – what would be acceptable – and “outstanding” – a truly exceptional accomplishment – and then build in the other levels of performance. For example:

Goal: Provide timely, accessible information to the public about housing services.

Objective: Establish housing services web site by December 31, 2002.

Rating Criteria:

Outstanding

Web site is up by 11/30/02 or earlier; site includes links to relevant City housing, development and service agencies; nonprofit housing providers, supportive housing services, rental and roommate agencies. Users can search for vacancies on line, sorting by location, size and price. Users can enter household and income information and determine eligibility for subsidies. Site includes easy, non-intrusive survey of users. As of 5/31/03, at least 50% of site visitors say they found useful information and 10% or more say they found housing as a result of the information on the site.

Competent

Web site up by 2/28/03, and includes links to City agencies and nonprofit housing providers. Income requirements for various programs listed. Some online search capability. Survey of site visitors developed and tested.

These rating criteria include completion dates, descriptions of the features of the site, and percentage measures of the usefulness and success of the site. Not all types of measures are included at every level. For example, it will not be possible to measure survey results if the survey is not completed and put in place early enough to get some responses.

From these “anchor” criteria you might determine that:

Superior performance would require a full-featured web site established by December or January, showing somewhat favorable survey results by May 2003.

Exceeds Standards would require that the site be established by December or January, but it might lack some of the desired features at that point.

Needs Improvement could result if the site was not up by February, and/or if it lacked the basic features and functionality specified in “Competent.”

Note: You should set rating criteria so that dates fall before June 1 of the performance period. If you have a project that extends beyond the end of the rating period, break it down into interim completion dates – milestones that can be reached before the evaluation.

4. Comments

The “Management Performance Review” forms include a box for comments for each objective. You may wish to include here:

- (a) Qualitative considerations that have not been captured in the rating criteria.
- (b) Details on how success will be measured.
- (c) Information on current service levels and/or other measurement benchmarks.
- (d) Anticipated challenges and plans for addressing them.
- (e) Linkages with other employees and/or other departments which are necessary to attainment of the objective.

Sample Objective – Details Do Not Reflect an Actual City Department or Employee

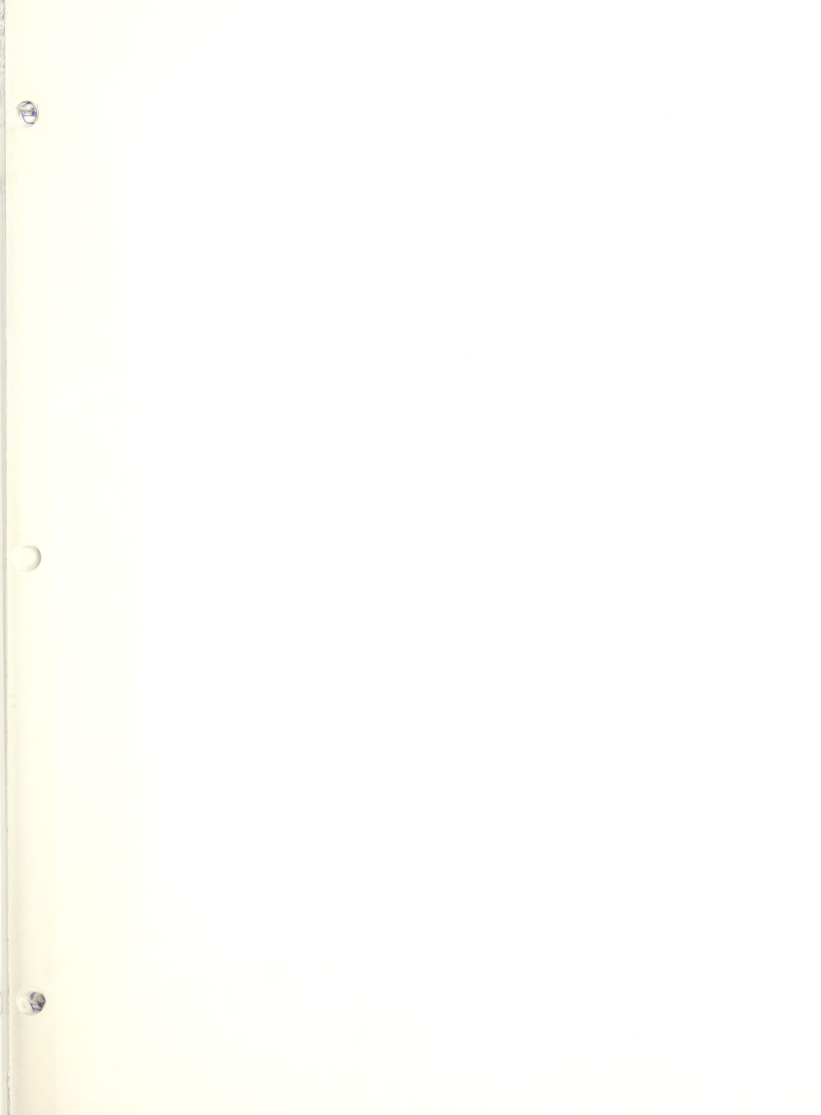
***City and County of San Francisco
Management Performance Review***

Fiscal Year	2002-2003	Objective #1
Name of Employee	SAMPLE	% of Total 40%
Department	RECREATION AND PARK	
Name of Evaluator		

Goal	To provide high-quality recreation opportunities to San Franciscans.
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Objective	To increase the number of hours City swimming pools are open by 20% over last year, maintain safe and sound pools, and to set a baseline for measuring pool user needs and satisfaction.
------------------	--

Rating Criteria		Rating (Check one)
Outstanding (5)	Increase pool hours by 30% or more. Scheduled pool maintenance is not more than a month late at any pool. No unscheduled pool closures due to facility problems. Survey pool users of at least three pools, during lap swim, play time and league use.	
Superior (4)	Increase pool hours by 20% or more (but less than 30%). Scheduled pool maintenance is not more than two months late at any pool. Not more than one unscheduled closure due to facility problems. Survey pool users of at least two pools, during lap swim, play time and league use.	
Exceeds Standards (3)	Increase pool hours by 10% or more (but less than 20%). Scheduled pool maintenance is not more than two months late at any pool. Not more than two unscheduled closures due to facility problems. Survey pool users of at least two pools, during lap swim and league use.	
Competent (2)	Increase pool hours by up to 10%. Scheduled pool maintenance is not more than three months late at any pool. Not more than two unscheduled closures due to facility problems. Survey is developed and tested at at least one pool.	
Need Improvement (1)	Pool hours unchanged or fewer than last year; scheduled pool maintenance is more than three months late at a pool; more than two unscheduled closures due to facility problems; and/or survey not developed.	



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco
Meeting of September 14, 2005

Subject:

Item No. 14

**Resolution making emergency findings, ratifying
Executive Director's 30-day extension of refuse
collection contract, and authorizing an additional
extension of such contract with Golden Gate Disposal &
Recycling Company to January 31, 2006.**

Contact/Phone: Tony Hall, Executive Director
274-0660

BACKGROUND

The current contract with Golden Gate Disposal & Recycling Company ("Golden Gate") for refuse collection services expired on September 1, 2005. In order to ensure that refuse continues to be collected in a manner consistent with the health and safety of the inhabitants of the Base, the Executive Director declared an emergency and with the consent of the Golden Gate executed an amendment to the contract with Golden Gate to extend the term for 30-days under the same terms and conditions of the existing contract. This extension will expire on September 30, 2005.

Staff is completing preparations for a competitive process to secure refuse collection services for Treasure Island in accord with TIDA Rules and Procedures governing the Purchase of Goods and Services by the Authority. Staff will need additional time to complete the competitive solicitation for such services. Staff anticipates completing the competitive solicitation process by January 31, 2006. In the meantime, Golden Gate is willing to extend its services to the Authority through January 31, 2006, under the same terms and conditions of the current contract.

RECOMMENDATION

Staff recommends Board approval of the extensions to ensure that the 3,000+ residents of Treasure Island continue to receive refuse collection and disposal services through January 31, 2006. This will assure that household refuse from such residents and the refuse from the commercial and office tenants and occupants (including food and other bio-waste products) will not accumulate, potentially attracting pests and causing other health and safety concerns for all occupants and users of Treasure Island and Yerba Buena Island.

EXHIBITS:

- A Second Amendment to Refuse Collection Agreement between TIDA and Golden Gate Disposal and Recycling

1 **[Ratifying 30-day extension and approving an extension of contract for Refuse**
2 **Collection Services at Treasure Island to January 31, 2006]**
3 **Making emergency findings, ratifying Executive Director's 30-day extension of refuse**
4 **collection contract, and authorizing an additional extension of such contract with**
5 **Golden Gate Disposal & Recycling Company to January 31, 2006.**

6 WHEREAS, Former Naval Station Treasure Island is a military base located on
7 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
8 the United States of America ("the Federal Government"); and,

9 WHEREAS, Treasure Island was selected for closure and disposition by the Base.
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
13 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
14 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
15 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
16 conversion of the Base for the public interest, convenience, welfare and common benefit of
17 the inhabitants of the City and County of San Francisco; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
19 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
20 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
21 Authority as a redevelopment agency under California redevelopment law with authority over
22 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
23 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
24 to administer the public trust for commerce, navigation and fisheries as to such property; and,

25 **////**

1 WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the
2 Authority, acting by and through its Board of Directors (the "Board"), has the power, subject to
3 applicable laws, to enter into agreements or contracts for the procurement of goods and
4 services related to the activities and purposes of the Authority; and,

5 WHEREAS, On March 11, 1998, the Board passed Authority Resolution No. 98-09-
6 3/11, adopting and approving the Rules and Procedures Governing the Purchase of Goods
7 and Services (the "Purchasing Rules") by the Authority; and,

8 WHEREAS, The Purchasing Rules require that except under certain conditions, all
9 purchasing transactions be conducted in a manner that provides maximum open and free
10 competition consistent with the Purchasing Rules; and,

11 WHEREAS, The current contract with Golden Gate Disposal & Recycling Company
12 ("Golden Gate") for refuse collection services was scheduled to expire on September 1, 2005,
13 and in order to ensure that refuse continued to be collected in a manner consistent with the
14 health and safety of the inhabitants of the Base, the Executive Director declared an
15 emergency and executed an amendment to the contract with Golden Gate to extend its term
16 for 30-days under the same terms and conditions of the existing contract; and,

17 WHEREAS, Staff has prepared a request for qualifications for refuse collection
18 services in accordance with the Purchasing Rules but will need additional time to complete
19 the competitive solicitation for such services; and,

20 WHEREAS, Golden Gate is willing to further extend its contract to January 31, 2006
21 under the same terms and conditions of the existing contract to allow the Authority to
22 complete its competitive solicitation process; now therefore be it

23 RESOLVED, That the Authority hereby finds and determines as follows:

24 1. The contract with Golden Gate was approved by the Board on August 18, 1999 by
25 Resolution No. 99-28-8/18.

1 2. The contract would have expired on September 1, 2005 unless extended.

2 3. Because this Board did not meet during the month of August, 2005, and its next
3 meeting following the month of August is September 14, 2005, the Executive Director
4 declared an emergency and extended the contract for 30-days.

5 4. The Purchasing Rules require competitive solicitation of contracts except under
6 certain limited conditions.

7 5. The Authority will need until January 31, 2006 to complete competitive solicitation
8 for refuse collection services, and Golden Gate has indicated its willingness to further extend
9 its contract until January 31, 2006 under the same terms and conditions of its existing
10 contract.

11 6. If the contract is not extended, refuse collection and disposal for the approximately
12 3,000 residents and occupants of Treasure Island and Yerba Buena Island (including the
13 Authority's offices) will stop on October 1, 2005, and the household refuse from such
14 residents and the refuse from the commercial and office tenants and occupants (including
15 food and other bio-waste products) will accumulate, potentially attracting pests and causing
16 other health and safety concerns for all occupants and users of Treasure Island and Yerba
17 Buena Island.

18 FURTHER RESOLVED, That the Authority hereby ratifies the Executive Director's
19 actions in extending the current contract with Golden Gate for 30-days.

20 FURTHER RESOLVED, That notwithstanding the requirements of the Purchasing
21 Rules, the Authority hereby authorizes the Executive Director to enter into an additional
22 amendment to the contract with Golden Gate to further extend the term of the contract to
23 January 31, 2006 under the same terms and conditions of the current contract. The form of
24 such additional amendment shall be in substantially the form attached hereto as Exhibit A.

25 ////

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 14, 2005.

Susan Po-Rufino, Secretary

**SECOND AMENDMENT TO
REFUSE COLLECTION AGREEMENT**

THIS SECOND AMENDMENT TO REFUSE COLLECTION AGREEMENT (this "Amendment") is made as of first day of October, 2005, in San Francisco, California, by and between the **Golden Gate Disposal & Recycling Company**, a California corporation ("Golden Gate" or "Contractor"), and the **Treasure Island Development Authority**, a public body corporate and politic (the "Authority").

RECITALS

WHEREAS, Authority and Contractor have entered into that certain Refuse Collection Agreement dated September 1, 2002 (hereafter, the "Agreement"); and

WHEREAS, on August 25, 2005, Executive Director and Contractor agreed to amend the Agreement (hereafter, the 1st Amendment) to extend the term of the Agreement to September 30, 2005, and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) Section 5. Section 5 of the Agreement currently reads as follows:

Unless further extended in writing authorized by the Authority's Board of Directors, this Contract shall expire on September 30, 2005. Any extension shall be on the same terms, conditions, and specifications as the original Contract, except as provided for herein.

Such section is hereby amended in its entirety to read as follows:

Unless further extended in writing authorized by the Authority's Board of Directors, this Contract shall expire on January 31, 2006. Any extension shall be on the same terms, conditions, and specifications as the original Contract, except as provided for herein.

2. Effective Date. Each of the modifications set forth in Section 1 shall be effective on and after October 1, 2005.

3. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

**Treasure Island Development
Authority, a public body corporate
and politic**

By _____
Tony Hall
Executive Director

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney



AGENDA ITEM

Treasure Island Development Authority *City and County of San Francisco*

Agenda Item No: **15**

Meeting Date: September 14, 2005

Subject: Authorizing the Disbursement of EDA Grant and Other Funds Totaling an Amount Not to Exceed \$337,500.00 to the Department of Public Works of the City and County of San Francisco to Pay for Geotechnical and Other Civil and Structural Engineering Services to Study the Design and Seismic Strengthening of the Treasure Island Causeway (Action Item)

Staff Contact: Jack Sylvan, Mayor's Office of Base Reuse and Development

BACKGROUND

The Treasure Island Causeway (Causeway), a man-made landfill connection between Treasure Island and Yerba Buena Island, is an integral infrastructure, transportation and emergency service link between the two islands and the Bay Bridge and developing plans to ensure its safety and reliability in the event of a seismic event are necessary elements of the planning and development process. Consequently, in January 2001, the Treasure Island Development Authority (Authority) submitted a grant application to the U.S. Economic Development Administration (EDA) in the amount of \$202,500 for activities related to the planning and seismic strengthening of the Causeway. The EDA awarded the grant to the Authority that same year. Authority staff later requested an extension of the grant through December 31, 2003, which was approved. The Authority and Mayor's Office have been in communication with the EDA staff since that time.

Mayor's Office staff, working with the Authority and Treasure Island Community Development (TICD), have partnered with the Department of Public Works (DPW) to select qualified consultants that are part of a pre-qualified pool of teams that provide structural, civil, and geotechnical engineering services. Robert Chew Geotechnical will provide the geotechnical evaluation and will work with Biggs Cardoza, who will provide the civil/structural engineering consulting services. Each of these firms are part of an as-needed pool of contractors to DPW that were selected through a competitive solicitation process. The contracts will be between DPW and the consultants and will be funded through a combination of federal EDA grant funds and the required local match (discussed below). Billing rates for these contracts have been pre-negotiated by DPW as part of the competitive selection process. Both firms are qualified Minority Business Enterprises and local San Francisco firms.

Scope of Work and Estimated Budget

Mayor's Office staff have worked with DPW, Authority staff, and TICD's consultants (Korve Engineering and Treadwell and Rollo) to develop the scope of work with the consultant team.

In initial consultations with the engineering teams, it was determined that the analysis should also include the elevated Yerba Buena Viaduct (Viaduct) structure on the steep western slope of Yerba Buena Island over which Treasure Island Road passes and which serves as the primary link between the Causeway and Yerba Buena Island and the Bay Bridge. The Viaduct structure includes several bridges and retaining walls and has been subject to landslide failure as recently as 1996. For the purposes of this study, both the Causeway and Viaduct are considered the key structures connecting Treasure Island to Yerba Buena Island and the Bay Bridge. Staff has received authorization from the EDA to include analysis of this structure with the EDA grant funds. The scope of work will consist of the following tasks.

Task 1: Causeway Investigation – An in-depth geotechnical evaluation of the Causeway will be conducted, including reviews of existing information, subsurface explorations, and topographic and bathymetric surveys.

Task 2: Viaduct Investigation – A geotechnical evaluation of the subsurface conditions supporting the Viaduct structure will be conducted, including review of historic soil conditions, preliminary geologic mapping and seismic refraction survey. In addition, an evaluation of the static and seismic adequacy of the Viaduct structure will be conducted, including developing preliminary demand/capacity ratios, displacement ductility evaluation, and identification of bridge elements requiring retrofit.

Task 3: Vulnerability Study Report – A vulnerability study report will be prepared that outlines for each structure recommendations for retrofit concepts/alternatives and preliminary cost estimates for the alternatives.

Mayor's Office staff, with assistance from Authority and DPW staff, will manage the consultant team. The consultant team will work in collaboration with TICD's engineering consultants to ensure appropriate interface with infrastructure planning for portions of the islands connected to and relying upon the Causeway and Viaduct structures.

Budget/Funds

The EDA provides \$202,500 in federal funds for the grant and the grant terms require a 40% local match, or \$135,000, for a total contract amount of \$337,500. The local match funds will be provided by the Authority to DPW and can be recaptured by the Authority through the reimbursement mechanism with TICD via the Exclusive Negotiating Agreement. The contracts with Robert Chew Geotechnical and Biggs Cardosa will be directly with DPW.

RECOMMENDATION

Staff recommends authorization to disburse both the federal grant funds in the amount of \$202,500 and the required local match in the amount of \$135,000 to DPW for administration of the Causeway and Viaduct seismic evaluation.

[Authorizing Disbursement of Funds to City's Department of Public Works for Causeway Study.]

Authorizing the Disbursement of EDA Grant and Other Funds Totaling an Amount Not to Exceed \$337,500.00 to the Department of Public Works of the City and County of San Francisco to Pay for Geotechnical and Other Civil and Structural Engineering Services to Study the Design and Seismic Strengthening of the Treasure Island Causeway.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code, and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California Redevelopment Law with authority over the redevelopment of the Treasure Island Naval Station (the "Base") upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the power to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

1 WHEREAS, In January 2001, the Authority submitted a grant application to the
2 U.S. Economic Development Administration (EDA) in the amount of \$202,500 for
3 activities related to the planning and seismic strengthening of the Treasure Island
4 Causeway (the "Causeway"), and later that year, the EDA awarded a grant for that
5 amount to the Authority; and,

6 WHEREAS, The Department of Public Works ("DPW") for the City maintains a
7 pool of qualified, competitively selected consultants that provide structural, civil, and
8 geotechnical engineering services on an as-needed basis, and staff has worked with
9 DPW to select from DPW's pool (i) Robert Chew Geotechnical to provide the
10 geotechnical evaluation, and (ii) Biggs Cardoza to provide the civil/structural consulting
11 services in connection with the planning and seismic strengthening of the Causeway;
12 and,

13 WHEREAS, While the contracts with the above named consultants will be
14 between the City (acting by and through DPW) and the contractors, staff of the Mayor's
15 Office of Base Reuse and Development and the Authority will work with DPW to
16 manage those contracts to ensure appropriate interfacing with the Treasure Island
17 Community Development's (TICD's) engineering consultants to facilitate infrastructure
18 planning for portions of the islands connected to the Causeway; and

19 WHEREAS, The Authority will disburse funds to DPW in an amount not to
20 exceed \$337,500 for such services, and the funds will come from a combination of
21 \$202,500 in EDA Grant funds and a 40% local match (\$135,000) required as a condition
22 of the EDA Grant. The Authority will provide the local matching funds and recapture
23 such funds from TICD as part of the Authority's transaction costs under its Exclusive
24 Negotiating Agreement with TICD; now therefore be it

25 /////

1 RESOLVED, That the Authority hereby authorizes the disbursement of \$202,500
2 in EDA Grant funds and \$135,000 in Authority funds to DPW to pay for engineering
3 consulting services for the planning and seismic strengthening of the Causeway; and

4 FURTHER RESOLVED, That the Authority hereby declares its intent to recapture
5 the \$135,000 in local matching funds as a transaction cost pursuant to the Exclusive
6 Negotiating Agreement between the Authority and TICD.

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8 **CERTIFICATE OF SECRETARY**

9
10 *I hereby certify that I am the duly elected and acting Secretary of the*
11 *Treasure Island Development Authority, a California nonprofit public benefit*
12 *corporation, and that the above Resolution was duly adopted and approved by*
13 *the Board of Directors of the Authority at a properly noticed meeting on*
14 *September 14, 2005.*

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17 _____
18 Susan Po-Rufino, Secretary
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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No: 16

Meeting Date: September 14, 2005

Subject: Resolution Authorizing a First Amendment to the Exclusive Negotiating Agreement with Treasure Island Community Development, LLC for the Redevelopment of Former Naval Station Treasure Island (Action Item)

Staff Contact: Michael Cohen, Mayor's Office of Base Reuse and Development
Jack Sylvan, Mayor's Office of Base Reuse and Development

BACKGROUND

After an almost 2-year public RFQ/RFP process soliciting a "master developer", on April 9, 2003, the Authority approved entering into an Exclusive Negotiating Agreement (ENA) with Treasure Island Community Development, LLC (TICD) for the redevelopment of former Naval Station Treasure Island. Among other things, the ENA outlined the structure by which the Authority and TICD would engage in good-faith negotiations for the planning and development of the island over a period of up to 30 months – an initial 18 month term plus two-six months options to extend exercisable by TICD in its sole discretion.

TICD has exercised the two options and paid the required extension option deposits and otherwise remains in compliance with the terms and conditions of the ENA. However, unless the term of the ENA is extended, it will expire on November 30, 2005.

Substantial progress on the planning and negotiations for the reuse of Treasure Island has been made during the term of the ENA to date, including the completion of all of the preliminary studies required by the ENA, the adoption of legislation authorizing a Tidelands Trust exchange, and the preparation, public discussion and presentation of a number of significant term sheet components, including preliminary land use and open space, affordable housing, infrastructure, sustainability and urban design plans. In addition, with TICD's support, the Mayor's Office has made significant progress in our discussions with the Navy regarding the transfer and cleanup of the base, particularly with regard to developing a shared understanding with the Navy of the cost of completing the environmental remediation.

And there is still quite a bit of work to do. As is often the case with large development projects in San Francisco, getting to final development agreements will take longer than was originally expected. Specifically, in order to properly vet the wide range of issues affecting Treasure Island, final approval of a Term Sheet is not likely to occur before the spring of 2006. Since all of (i) the necessary subsequent environmental review under CEQA, (ii) the negotiation and drafting of final development and financing agreements and (iii) the completion of the final redevelopment and community benefit plans and related planning code amendments and

entitlements are tiered off of an approved Term Sheet, final development, financing community benefit and planning agreements are not likely to be approved and in place until the Spring of 2008.

Because TICD continues to work effectively and in good faith under the terms of the ENA towards the completion of such agreements, staff recommends extending the Term of the ENA through June 30, 2008. Extension of the ENA would allow TICD to reasonably continue to invest the significant amounts of risk capital that are necessary to continue to move the project forward, notwithstanding the absence of any entitlements or other assurances regarding TICD's ability to build on Treasure Island and notwithstanding that TIDA still does not yet own the land.

Towards that end, Staff has prepared a First Amendment to the ENA for execution with TICD, a copy of which is attached to the resolution for this agenda item. This First Amendment amends and restates the ENA in its entirety. Noteworthy changes reflected in the First Amendment include:

- *Term.* The term of the ENA has been extended through June 30, 2008.
- *Schedule of Performance.* The schedule of performance regarding the negotiation and preparation of the documents necessary to implement the redevelopment of Treasure Island has been revised to be consistent with the revised ENA term. The revised Schedule identifies milestones including a Term Sheet setting forth major terms and conditions governing redevelopment of the Base, and the preparation of the Development and Disposition Agreement and related transaction documents.
- *Transaction Costs.* The original ENA provided the Authority the ability to recover from TICD funds necessary to cover the Authority's transaction costs. The transaction cost reimbursement was capped at \$1.8 million. To date, the Authority has funded its own transaction costs and has not required reimbursement by TICD. However, the Authority anticipates that it will seek funding from TICD for the majority of its own transaction costs going forward. Consequently, the First Amendment allows the Authority to recover up to \$4.0 million in transaction costs from TICD over the amended term of the ENA.
- *Addition to TICD Partnership.* In the original ENA, the TICD partnership consisted of three entities: Kenwood Investments, Lennar Corporation and Interland. During the course of the exclusive negotiations Interland has ceased to remain an active development partner and its principal owner passed-away. In anticipation of moving into the next, more detailed, stages of planning for the redevelopment of Treasure Island, staff has urged TICD to augment its team by adding entities and/or individuals with expertise in commercial/destination retail development. TICD has responded to that request by both adding personnel directly involved in the management of the project from Lennar – Kofi Bonner and Anthony Flanagan – and by admitting into TICD as a new partner Wilson Meany Sullivan (WMS) and their equity partners Stockbridge Capital Partners. WMS has extensive destination retail development experience in San Francisco, including as the developers of the Ferry Building project.

RECOMMENDATION

Staff recommends approval of the First Amendment to the ENA with TICD to continue planning and negotiation for the redevelopment of former Naval Station Treasure Island.

EXHIBITS

- A First Amendment to the Exclusive Negotiating Agreement

[Amendment to the Exclusive Negotiating Agreement with Treasure Island Community Development, LLC.]

Authorizing the Executive Director to enter into the First Amended and Restated Exclusive Negotiating Agreement with Treasure Island Community Development, LLC for the redevelopment of former Naval Station Treasure Island.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, In 1994, a Citizen's Reuse Committee ("CRC"), representing a broad spectrum of community interests, was formed to: (i) review reuse planning efforts regarding the Base by the San Francisco Planning Department and the San Francisco Redevelopment Agency; and (ii) to make recommendations to the City's Planning Commission and Board of Supervisors, and in July 1996, after an extensive community planning effort, a draft reuse plan

1 for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of
2 Supervisors, the Planning Commission and the CRC; and,

3 WHEREAS, The City forwarded the Reuse Plan to the Department of Defense in July
4 1996 to serve as the guiding document for the Navy and City in preparation of a joint
5 Environmental Impact Statement/Environmental Impact Report (EIR/EIS) and the Reuse Plan
6 serves as the basis for the Preliminary Redevelopment Plan for the Base; and,

7 WHEREAS, The conversion of the Base according to the goals and objectives of the
8 Reuse Plan will require extensive coordination and large investments for new infrastructure
9 and to address extraordinary transportation access and seismic constraints, all of which may
10 best be achieved through the coordinated services of one "Primary Developer" of the Base;
11 and,

12 WHEREAS, On June 14, 2000, the Authority authorized issuance of a Request For
13 Qualifications for a Primary Developer of the Base ("RFQ"), and thereafter issued
14 approximately 500 copies of the RFQ to interested parties and hosted a pre-submittal meeting
15 regarding the RFQ that was attended by over 125 representatives of the development
16 community; and,

17 WHEREAS, Submittals to the RFQ were due to the Authority by February 1, 2001, and
18 on that date the Authority received two responses to the RFQ, one from Navillus Associates
19 and one from Treasure Island Community Development ("TICD"); and,

20 WHEREAS, A team of expert consultants hired by the Authority, including Keyser
21 Marston & Associates and Arthur Andersen, reviewed the materials submitted by the two
22 respondents to the RFQ, prepared supplemental information requests to address questions
23 raised during the review process, and together with Authority staff and a designated member
24 of the Treasure Island Community Advisory Board, conducted interviews of the two
25 responding teams; and,

1 WHEREAS, On July 11, 2001, the Authority by resolution found, based on the
2 consultants' analysis and the recommendations of staff, that TICD met each of the seven
3 criteria set forth in the RFQ for proceeding on to the RFP phase; and,

4 WHEREAS, On July 11, 2001 in that same resolution, the Authority directed the
5 Executive Director to (i) undertake a brief study to explore ways to improve competition for the
6 opportunity, including by having a consultant interview prospective developers that expressed
7 interest in Treasure Island but failed to respond to the RFQ, and (ii) based on the information
8 gleaned from that study, to present options to the Authority for moving forward with the
9 primary developer solicitation process; and,

10 WHEREAS, On September 11, 2001, staff and the Authority's consultant, Bay Area
11 Economics, reported that simply presenting again to the development community a combined
12 RFQ/RFP would not likely result in material new developer interest, and after considering the
13 consultant's report and the recommendations of staff, the Authority indicated that to best
14 achieve the goals of the Reuse Plan and avoid significantly delaying implementation of the
15 Reuse Plan, the Authority should proceed with the original solicitation process set forth in the
16 RFQ by issuing a focused Request For Proposals ("RFP") to TICD, and then evaluate the
17 content of TICD's response to the focused RFP to determine whether the Authority should
18 enter into exclusive negotiations with TICD regarding the implementation of its proposal; and,

19 WHEREAS, On April 10, 2002, after an unprecedented public process that included
20 numerous meetings with the Authority Board, members of the Treasure Island/Yerba Buena
21 Island Citizens Advisory Board ("TI/YBI CAB"), and comments provided by organizations,
22 individuals and government agencies, the Authority authorized staff to issue the focused RFP
23 to TICD; and,

24 WHEREAS, On July 2, 2002, TICD submitted its initial response to the RFP (the "Draft
25 Proposal"), and thereafter copies of the Draft Proposal were provided to the Authority Board,

1 members of the TI CAB, the San Francisco Board of Supervisors, and interested members of
2 the public, and TICD made presentations of the Draft Proposal at several public meetings held
3 in San Francisco and on Treasure Island to solicit input from the public, and the TI/YBI CAB
4 held 16 additional public meetings to discuss the Draft Proposal and prepare comments for
5 the Authority Board; and,

6 WHEREAS, On January 2, 2003, TICD submitted its revised response to the RFP (the
7 "Proposal") for the Authority's and the TI/YBI CAB's consideration; and,

8 WHEREAS, The TI/YBI CAB and its subcommittees held several meetings to review
9 the Proposal and prepared and presented comments to the Authority Board; and,

10 WHEREAS, The Authority staff met both individually and collectively with a consultant
11 team to evaluate the Proposal in the context of the evaluation criteria set forth in the RFP; and

12 WHEREAS, On March 20, 2003, the Authority Board made a determination that TICD's
13 Proposal met the criteria set forth in the RFP, and authorized the Authority's Executive
14 Director to enter into exclusive negotiations with TICD regarding the redevelopment of the
15 Base in a manner consistent with TICD's Proposal, the Staff Summary, the Reuse Plan, and
16 the EIS/EIR, subject to the Authority's separate approval of an Exclusive Negotiating
17 Agreement ("ENA"); and

18 WHEREAS, On April 9, 2003, this Board of Directors authorized the Executive Director
19 to execute an Exclusive Negotiating Agreement ("ENA") with TICD setting forth the terms and
20 conditions related to the preparation and approval of transaction documents for the
21 redevelopment of the Base, including but not limited to the subject of the negotiations, the
22 term of the exclusive negotiation period and options to extend the term, the allocation and
23 responsibilities related to transaction costs associated with the negotiations, the obligations of
24 TICD and the Authority during the negotiation period, the financial guarantee required to cover
25

1 TICD's obligations under the ENA, and a schedule of performance for completion of the
2 transaction documents; and,

3 WHEREAS, While substantial progress on the planning and negotiations for the reuse
4 of the Base have been made and diligently pursued during the term of the original ENA
5 (including legislation authorizing a Tidelands Trust Exchange, and presentation to this Board
6 of Directors and the CAB of significant term sheet components such as plans for the land use
7 and open space, affordable housing, infrastructure, sustainability and urban design vision),
8 delays in negotiations with the Navy and other circumstances beyond the control of TICD
9 have left several elements of negotiation under the ENA incomplete; and,

10 WHEREAS, Staff and TICD have negotiated a First Amended and Restated ENA that
11 (i) extends the exclusive negotiating period until June 30, 2008, (ii) amends the Schedule of
12 Performance to the ENA, (iii) amends the maximum amount of the Authority's transaction
13 costs that the Authority can recover from TICD to \$4,000,000.00, (iv) amends the permitted
14 members of TICD to replace Interland with KSWM Treasure Island, LLC, and (v) clarifies
15 certain provisions of the ENA; now therefore, be it

16 RESOLVED, That the Board of Directors hereby approves and authorizes the Executive
17 Director to enter into the First Amended and Restated Exclusive Negotiating Agreement
18 between the Authority and TICD in substantially the form attached hereto as Exhibit A.

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5 CERTIFICATE OF SECRETARY
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7 I hereby certify that I am the duly elected and acting Secretary of the Treasure
8 Island Development Authority, a California nonprofit public benefit corporation, and
9 that the above Resolution was duly adopted and approved by the Board of Directors
10 of the Authority at a properly noticed meeting on September 14, 2005.
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12 Susan Po-Rufino, Secretary
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AMENDED AND RESTATED
EXCLUSIVE NEGOTIATING AGREEMENT
(Naval Station Treasure Island)

THIS AMENDED AND RESTATED EXCLUSIVE NEGOTIATING AGREEMENT (this "Agreement") dated as of _____, 2003, 2005, is between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Authority"), a public body, corporate, and politic created pursuant to the laws of the State of California and the TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC, a California limited liability company, (the "Developer").

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. The Navy owns in fee all of that certain real property known as the former Naval Station Treasure Island ("NSTI"), located in the City and County of San Francisco ("City"), and consisting of the following two islands connected by a causeway: (1) Treasure Island, comprised of approximately 403 acres of level filled land, and (2) portions of Yerba Buena Island, a natural rock outcropping, steeply sloped and highly vegetated, with elevations rising to over 300 feet above the water. The land within NSTI that is the subject of this Agreement is shown on the attached Exhibit A (the "Property").

B. During World War II, NSTI was used as a center for receiving, training, and dispatching service personnel. After the war, NSTI was primarily used as a naval training and administrative center.

C. In 1993, Congress and the President selected NSTI for closure and disposition by the Base Realignment and Closure Commission acting under Public Law 101-510 and its subsequent amendments. The Department of Defense subsequently designated the City and, later, the Authority as the Local Reuse Authority ("LRA") responsible for the conversion of NSTI under the federal disposition process.

D. In 1994, a Citizen's Reuse Committee ("CRC"), representing a broad spectrum of community interests, was formed to: (1) review reuse planning efforts regarding the NSTI by the San Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make recommendations to the City's Planning Commission and Board of Supervisors.

E. In July 1996, after an extensive community planning effort, the Draft Reuse Plan (the "Reuse Plan") for NSTI was unanimously endorsed by the City's Mayor, Board of Supervisors, Planning Commission, and the CRC. The City forwarded the Reuse Plan to the Department of Defense in July 1996 to serve as the guiding document for an Environment Impact Statement ("EIS") under the National Environmental Policy Act ("NEPA") and an Environmental Impact Report ("EIR") under the California Environmental Quality Act ("CEQA") related to the transfer of the Property. The Reuse Plan also serves as the basis for the Preliminary Redevelopment Plan for Treasure Island. The EIS and the EIR are collectively referred to herein

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as the EIS/EIR.

F. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over NSTI, and (ii), with respect to those portions of NSTI which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property.

G. The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island and Yerba Buena Island under the Act in Resolution No. 43-98, dated February 6, 1998.

H. Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant interests in or rights to use or occupy all or any portion of the Property.

I. The Property is currently owned by the United States Navy (the "Navy"). On June 19, 2000, the Authority submitted an application (the "Application") to the Navy seeking a "no-cost" Economic Development Conveyance of the Property pursuant to Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990, 10 U.S.C. Section 2687, as amended, and related implementing regulations of the Department of Defense (32 CFR Part 175). Since then, the Authority has been seeking to finalize a conveyance agreement with the Navy conveying the Property to the Authority in furtherance of the Application. On December 24, 2002, the Authority asked the Navy to consider negotiating an "Early Transfer" of portions of the Property under Section 9620(h)(3)(C) of CERCLA. Negotiations with the Navy regarding both a conveyance pursuant to the Application and an Early Transfer are on-going.

J. On June 14, 2000, the Authority authorized the issuance of a Request for Qualifications ("RFQ") regarding "master development" of the Property. The RFQ contemplated the issuance of a Request for Proposals ("RFP") to those respondents who met the qualifications under the RFQ.

K. A team of expert consultants hired by the Authority reviewed the materials submitted by the respondents to the RFQ, prepared supplemental information requests to address questions raised during the review process, and together with Authority staff and a designated member of the Treasure Island Citizens Advisory Board ("TICAB"), conducted interviews of the responding teams. On July 11, 2001, the Authority passed a resolution finding that, based on the consultants' analysis and the recommendations of staff, only the Developer met each of the criteria required under the RFQ for proceeding on to the RFP phase.

L. After considering an independent consultant's report and the recommendations of staff, the Authority determined that to best achieve the goals of the Reuse Plan and avoid significantly delaying the implementation of the Reuse Plan, the Authority should (1) proceed with the original solicitation process set forth in the RFQ by issuing a focused RFP to the Developer, and then (2) evaluate the content of the Developer's response to the focused RFP to

determine whether the Authority should enter into exclusive negotiations with the Developer regarding the implementation of its proposal. The Authority held numerous public meetings to draft an RFP, which included input from the TICAB (totaling over 30 meetings from the inception of the RFP to ENA), and on April 10, 2002, the Authority authorized the Executive Director of the Authority to issue the focused RFP to the Developer.

M. After an extensive evaluation process in which the Developer submitted a draft response to the focused RFP, and that submittal was reviewed by Authority staff and consultants, the TICAB, and the Authority Board (including numerous public meetings); the Developer then submitted a revised response to the focused RFP, and that revised response was reviewed by a team of expert consultants, Authority staff, the TICAB and the Authority Board; the Authority has determined that the Developer's revised response to the focused RFP meets the criteria set forth in the RFP and warrants entering into exclusive negotiations with the Developer.

N. ~~The On or about _____, 2003, the parties now wish to enter entered into this an Exclusive Negotiating Agreement to set dated as of such date, (the "ENA") setting forth the terms and conditions under which they are willing to negotiate (i) a disposition and development agreement ("DDA") and related ground leases and/or conveyance agreements and (ii) other necessary transaction documents for the conveyance, management and redevelopment of the Property (the other documents and the DDA are collectively referred to as the "Transaction Documents").~~

O. The parties now desire to amend and restate the ENA in its entirety on the terms and conditions hereinafter set forth.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Authority and the Developer agree as follows:

1. Exclusive Right.

1.1 Diligent and Good Faith Negotiations.

For the Exclusive Negotiation Period set forth in Section 2 below and subject to the terms and conditions of this Agreement, the Authority and the Developer, acknowledging that time is of the essence, agree to negotiate diligently and in good faith the Transaction Documents for the conveyance, redevelopment and management of the Property. The Authority grants to the Developer the exclusive right to negotiate the Transaction Documents during the Exclusive Negotiation Period (the "Exclusive Right") and agrees not to solicit any other proposals or negotiate with any other private developer with respect to the subject of the negotiations set forth in Section 1.2 without the Developer's prior written consent. The Authority further agrees that during the Exclusive Negotiating Period (as defined in Section 2 below), the Authority will use all reasonable efforts to cause the Navy promptly to convey the Property to the Authority, and the Authority will take no action in furtherance or support of any disposition of the Property by or through the Navy to any party other than TIDA, or that is inconsistent with the intent and objectives of this Agreement or the grant of the exclusive right hereunder.

1.2 Subject of Negotiations.

The Transaction Documents and the negotiations conducted under this Agreement shall be based on the development opportunity described in the RFQ and the RFP, the Reuse Plan, the Authority's Economic Development Conveyance Application to the Navy, the development proposal submitted by the Developer in response to the RFQ and RFP, and the Authority's resolutions regarding that proposal and the grant of the Exclusive Right hereunder, including without limitation, the conditions set forth in the Authority's Resolution No. 03-127-419 dated April 9, 2003 (together, the "Project Guidelines"). Specifically, subject to the terms and conditions of this Agreement, the Exclusive Right shall encompass negotiations for the Developer to:

- (a) Prepare certain intermediate documents related to the preparation of the Transaction Documents in accordance with the Schedule of Performance attached as Exhibit B to this Agreement, including the Studies and the Term Sheet described therein. As a precursor to negotiating the Term Sheet, the parties will negotiate and agree upon a "framework" for such negotiations that outlines a pro-forma based negotiating process that, among other things, distinguishes certain baseline project development cost and revenue assumptions from required community benefits in a manner that allows the parties to iteratively evaluate the impacts of modifications to various project assumptions.
- (b) Participate with the Authority in negotiating agreements with the Navy for the transfer, remediation, management and development of the Property, provided that the Authority shall retain control of those negotiations as set forth in Section 5.1(c) below.
- (c) Participate with the Authority, upon request by the Authority, in (i) negotiating an agreement with the State Lands Commission for the exchange of public trust interests within the Property in order to permit redevelopment in accordance with plans approved by the Authority, and (ii) seeking the adoption of any State legislation regarding the trust property as required for the implementation of a redevelopment plan (the "Redevelopment Plan") to be approved by the Authority and the City's Board of Supervisors in accordance with the California Community Redevelopment Law, provided that the Authority shall retain control of those negotiations as set forth in Section 5.1(c) below.
- (d) Participate with the Authority, upon request by the Authority, in negotiating agreements with the State Department of Public Transportation ("Caltrans") regarding the mitigation of impacts on the Property caused by the construction of the new eastern span of the San Francisco-Oakland Bay Bridge, provided that the Authority shall retain control of those negotiations as set forth in Section 5.1(d) below.

- (c) Enter into a DDA to provide for the redevelopment of the Property in a timely manner. The parties anticipate that the DDA will cover the following matters, among others:
- (1) The manner that the Property will be transferred to the Developer, which the parties anticipate will be by long-term ground lease and, subject to the restrictions of the Tideland Trust, transfers of fee title to portions thereof. The parties expect that the form of any applicable ground leases and/or conveyance agreements will be attached to the DDA.
 - (2) The consideration to the Authority for the conveyance of the Property, including participation in cash flow from operations and/or in net proceeds of sales and refinancings.
 - (3) The conditions to conveyance of the Property to the Developer, including, but not limited to, evidence that the approved development project has secured sufficient financing commitments to complete development and has secured required Regulatory Approvals (as set forth in Section 5.1(f) below).
 - (4) The Developer's obligation to build out the Property in accordance with an infrastructure plan and vertical development plans, a phasing plan, phasing plans for infrastructure and vertical development, including agreements regarding the extent to which Developer or its affiliates will undertake such vertical development and a schedule of performance, with a reasonably detailed scope of development, including penalties for failure to meet the schedule of performance.
 - (5) A comprehensive financing and revenue sharing plan. Among other things, the financing and revenue sharing plan will address the priorities for payment and rates of return applicable to both parties' respective contributions to the project, including land, equity, and financing and the reasonable predevelopment costs actually incurred by the parties after the date of this Agreement ("Predevelopment Costs").
 - (6) The Term Sheet will identify, and the DDA will incorporate, an initial cap on the amount of both parties' Predevelopment Costs that may be recovered from the project, and specific priorities for payment and rates of return applicable to such Predevelopment Costs. The initial cap shall be periodically adjusted, subject to the mutual agreement of the parties. For these purposes, any of the Authority's Transaction Costs actually paid by the Developer pursuant to Section 3.2 below shall count against the Authority's cap on Predevelopment Costs.

- (7) A final land use and open space plan.
- (8) The process for design review and approval by the Authority (and, if applicable, by the City) for major development phases, as well as individual building projects, including the manner in which the Developer will provide drawings, elevations, models, and other depictions of the design and construction details for development.
- (9) The Developer's responsibility to comply with all applicable City and Authority requirements and Regulatory Approvals as described in Section 5.1(g).
- (10) The Developer's obligation to work cooperatively with the TIHDI Job Broker Program and the scope and quality of economic development opportunities for TIHDI member organizations and other public benefit programs, including the community participation programs, as further described in Section (g) below.
- (11) The Developer's responsibility to comply with environmental requirements, including deed restrictions and other institutional controls imposed by regulatory agencies under the CERCLA process, and with mitigation measures required under the EIS/EIR and any environmental improvement measures.
- (12) The reservation of such powers and controls by the Authority as may be necessary to prevent the transfer, retention, or use of property for speculative purposes and to ensure that development is carried out pursuant to the Project Guidelines.
- (13) The provision of an adequate means to assure the Authority and the City of sufficient financial wherewithal and commitment to fulfill the financial, indemnification, and other performance obligations of the Developer. Subject to agreement of the parties, such means may include, by way of example only and without limitation, guaranties from suitable entities, performance deposits, and/or surety bonds that are appropriate for the guaranteed obligations. The Authority shall make determinations as to the adequacy of such assurances in good faith in light of the public purposes and development objectives of the Project Guidelines and the requirements of the Community Redevelopment Law and other applicable laws.
- (14) The Developer's, the Authority's and TIHDI's respective rights, responsibilities and obligations regarding the implementation of a comprehensive affordable housing program for the Property.

(15) A comprehensive transition plan regarding the relocation of existing uses and residents and TIHDI programs, and plans to minimize the impacts of construction on existing uses.

(16) An Interagency Cooperation Agreement which shall be executed by all City agencies having jurisdiction over the project.

- (f) Provide interim management services to all or any portion of the Property under a sublease or other mutually acceptable arrangement ("Sublease") with the Authority, including, without limitation, property management, marketing, leasing, financing, and community outreach activities. The Sublease shall also address the allocation of uses of lease revenues, the allocation of liabilities and responsibilities, and the consideration to the Developer for performing the management services.
- (g) Establish a community participation program, including, at a minimum, (i) job-training programs and facilities and education and hiring programs designed to provide permanent and construction job opportunities for low-income San Franciscans and consistent with applicable Authority and City requirements (including First Source Hiring, the TIHDI Job Broker Program, and Equal Opportunity Programs); (ii) economic development programs designed to encourage the successful location of locally-owned, economically disadvantaged businesses on Treasure Island; (iii) ownership opportunities for City residents and businesses; (iv) housing opportunities for City residents, especially current residents of the Property; and (v) education, cultural and recreation facilities serving City residents and the region as a whole.
- (h) Provide for the financing and completion of demolition and all other site preparation work and all construction of improvements and public infrastructure required for redevelopment of the Property, provided that the Developer shall coordinate with the Authority and the City as to any public or tax-exempt financing.
- (i) Under the direction and control of the Authority and the City, (i) participate in managing the expeditious remediation of Hazardous Materials as part of the redevelopment process in conformity with the regulatory agency's requirements, including characterization, handling and disposal of contaminated soil and groundwater, remediation of asbestos-containing materials and lead-based paint before rehabilitation or demolition of existing buildings, and (ii) manage long-term environmental deed restrictions and other institutional controls associated with Parcels transferred by the Navy. Without limiting the generality of the foregoing, Developer shall participate with the Authority in negotiating an Early Transfer of portions of the Property, including agreements with state

and/or federal regulatory agencies with jurisdiction over the environmental remediation of the Property, and agreements with environmental remediation contractors; provided that the Authority shall retain control of those negotiations as set forth in Section 5.1(c) below.

- (j) Obtain Regulatory Approvals (as defined in Section 5.1(e)) as needed to fully implement the project pursuant to the Project Guidelines, provided that the Developer's efforts to obtain such approvals shall be under the direction and control of the Authority as set forth in Section 5.1(e).
- (k) Establish procedures for implementation of mitigation measures adopted by the City, Authority, and the Navy through the EIS/EIR process, and define any subsequent project or projects and work with the City and the Authority to determine and conduct the appropriate level of environmental review on any such subsequent project or projects.

1.3 Threshold Conditions and Limitations.

(a) Authority and City Discretion. The Developer acknowledges and agrees that under this Agreement the Authority is not committing itself or agreeing to enter into the Transaction Documents or undertake any exchange or transfer of real property, or to grant any disposition of any real property interests to the Developer, approve any land use entitlements or undertake any other acts or activities relating to the subsequent independent exercise of discretion by the Authority or any agency, commission or department of the City; provided, however, that upon reaching agreement as to the form and content of the Transaction Documents, the Authority shall use good faith efforts to obtain the approval and cooperation of such agencies, commissions or departments with respect to the execution and performance of the Transaction Documents. This Agreement does not constitute the disposition of property or exercise of control by the Authority or the City over property, and no such legal obligation will exist unless and until the parties have negotiated, executed, and delivered mutually acceptable Transaction Documents based upon information produced from the environmental review process and upon other public review and hearing processes and subject to all applicable governmental approvals, including, without limitation, the approval of the Authority and the City in their respective sole and absolute discretion. The Authority and the City each retains the absolute discretion before action on the Transaction Documents by the Authority Board and/or any City commission or the Board of Supervisors to (i) subject to the agreement of the parties, make such modifications to the Transaction Documents and the project as may be necessary to mitigate significant environmental impacts or as may otherwise be necessary or appropriate, (ii) select other feasible alternatives to avoid significant environmental impacts, (iii) balance the benefits against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the Transaction Documents.

(b) Developer Discretion. By entering into this Agreement, the Developer does not commit itself to enter into binding Transaction Documents. The parties recognize that the Developer must first complete due diligence investigations and negotiate the terms of the Transaction Documents before exercising its discretion to enter into them.

(c) Navy and State Lands Agreements. The Developer acknowledges and agrees that any obligations of the Authority under the Transaction Documents with respect to the disposition of the Property, or any portion thereof, shall be subject, among other things, to the successful negotiation of contractually binding agreements between the Authority and (i) the Navy for the conveyance of the Property, and (ii) the State Lands Commission relating to any exchange of public trust interests within the Property. In addition, the parties acknowledge that other agreements with governmental and/or regulatory agencies may be required for assembly of the site or for redevelopment of all or portions of the Property, such as agreements with Caltrans, Federal and State environmental regulatory agencies and the State Historic Preservation Officer. The Developer shall participate in such negotiations with the Authority as provided in Section 6.

(d) Marina. On January 21, 1998, the Authority issued a Request for Proposals ("Marina RFP") to evaluate proposals related to the redevelopment and expansion of the Treasure Island Marina. On February 17, 1999, the Board of Directors of the Authority adopted a resolution authorizing the Executive Director of the Authority to enter into an exclusive negotiating agreement with Treasure Island Enterprises ("TIE") for the development of the Treasure Island Marina in accordance with the Marina RFP and TIE's response to the Marina RFP. On September 2, 1998, the Authority and TIE entered into a sublease for the interim operation by TIE of the existing marina, including, without limitation, the performance of all property management, marketing, leasing, protection, maintenance and repair responsibilities of the Authority required under its Master Lease with the United States Government, acting by and through the United States Navy (the "Navy"). On November 10, 1999, the Authority considered TIE's Preliminary Development Concept for the New Marina, and on November 14, 2001, the Authority approved a term sheet setting forth the material business terms of a disposition and development agreement governing development of the marina by TIE (the "Marina Term Sheet"). On November 10, 2004, the Authority approved an amendment to the Marina Term Sheet (which amendment TIE had previously agreed to) that transferred certain landside rights held by TIE to TICD, upon specific conditions precedent (the "First TIE Amendment"). The Authority intends to bring forward for approval a final disposition and development agreement and long-term ground lease for development of the marina in a manner consistent with TIE's Preliminary Development Concept and the Marina Term Sheet (the "Marina Project") prior to expiration of the Exclusive Negotiating Period (as defined below) under this Agreement. The scope of the Exclusive Right granted under this Agreement shall not include the Marina Project, as modified by the First TIE Amendment, unless and to the extent TIE, the Authority and the Developer agree in writing, in their respective sole and absolute discretion, to the contrary.

2. Term.

The term of the Exclusive Right shall ~~(a) commence~~ commenced as of the Effective Date of this Agreement, ~~which shall be the date when all of the following have been satisfied: (i) the parties hereto have duly executed and delivered this Agreement, (ii) the Authority Board has approved this Agreement in its sole discretion, and (iii) Lennar Corporation has executed and delivered to the Authority the Guaranty in the form attached hereto as Exhibit C (the "Guaranty") or such other agreements providing adequate means of assuring the Authority of the Developer's sufficient financial wherewithal and commitment to fulfill its financial, indemnification and~~

other performance obligations under this Agreement, such as performance and/or surety bonds, as may be approved by the Authority's Executive Director and shall expire June 30, 2008, unless extended by the Authority in her/his sole and absolute discretion, no later than ten (10) business days after the date of Authority Board's approval of this Agreement; and (b) expire on _____, 200__, (i.e., eighteen (18) months after the Effective Date of this Agreement), unless extended in accordance with Section 4 below or terminated in accordance with the provisions of this Agreement (the "Exclusive Negotiation/Negotiating Period"). This/Unless extended, this Agreement shall automatically terminate upon the expiration of the Exclusive Negotiation Period and neither party shall have any further rights or obligations except with respect to those matters that survive termination under Section 12.13.

3. Negotiation Deposits; Authority/City Costs.

3.1 Negotiation Deposits.

In connection with its submittal of qualifications in response to the RFQ, the Developer paid to the Authority the cash sum of One Hundred Thousand Dollars (\$100,000) as an earnest money deposit (the "Earnest Money Deposit"). Pursuant to the requirements of the RFP, the Developer increased the Earnest Money Deposit by an additional One Hundred Thousand Dollars (\$100,000). Pursuant to the requirements of the RFP, the Developer shall pay to the Authority an additional sum of One Hundred Fifty Thousand Dollars (\$150,000) in cash as a performance deposit (the "Performance Deposit") within ten (10) business days of the Effective Date. The Earnest Money Deposit (as increased by the RFP) and the Performance Deposit, and, if applicable, the Extension Option Deposit described in Section 4.1, are collectively referred to herein as the "Deposits." The Deposits will be held by the Authority to ensure that the Developer will proceed diligently and in good faith to negotiate the Transaction Documents and perform the Developer's obligations under this Agreement. Subject to the Authority's rights to use the Deposits to pay for certain Transaction Costs as set forth in Section 3.2(b) below, the Authority shall keep the Deposits in a separate account in such manner as the Authority deems appropriate in its sole discretion. Any allocation of interest on the Deposits payable to the Developer or the Authority under this Agreement shall be calculated based on the net amount actually earned and deposited in such account for the period involved, if any.

If the parties succeed in negotiating and entering into the Transaction Documents and if the Authority Board and the Board of Supervisors for the City approves the Transaction Documents in accordance with the provisions of this Agreement, then the Deposits (together with any interest actually paid thereon as provided herein, but less any amounts used by the Authority to pay for Transaction Costs pursuant to this Agreement) shall be applied towards any land purchase payments and/or performance deposits required by the Authority thereunder.

IF THE PARTIES FAIL TO REACH AGREEMENT DESPITE THE DEVELOPER'S GOOD-FAITH NEGOTIATIONS OR IF THE TRANSACTION DOCUMENTS ARE NOT APPROVED, EXECUTED AND DELIVERED AS CONTEMPLATED HEREBY FOR ANY REASON OUTSIDE OF THE DEVELOPER'S CONTROL (EXCLUDING THE INABILITY TO OBTAIN FINANCING) AND, IN EITHER INSTANCE, THE DEVELOPER IS NOT IN DEFAULT UNDER THIS AGREEMENT, THEN UPON TERMINATION OF THIS

AGREEMENT THE AUTHORITY SHALL PROMPTLY RETURN THE DEPOSITS (TOGETHER WITH INTEREST ACTUALLY PAID THEREON AS HEREIN PROVIDED, BUT LESS ANY AMOUNTS USED BY AUTHORITY TO PAY FOR TRANSACTION COSTS PURSUANT TO THIS AGREEMENT) TO THE DEVELOPER. IF THE PARTIES DO NOT REACH AGREEMENT ON THE TRANSACTION DOCUMENTS OR THE TRANSACTION DOCUMENTS ARE NOT APPROVED, EXECUTED, AND DELIVERED AS CONTEMPLATED HEREBY DUE, IN EITHER INSTANCE, IN WHOLE OR IN PART, TO ANY DEFAULT BY THE DEVELOPER UNDER THIS AGREEMENT, THEN, WITHOUT LIMITING ANY OF ITS OTHER REMEDIES HEREUNDER AT LAW OR IN EQUITY (INCLUDING, WITHOUT LIMITATION, DAMAGES OTHER THAN THE UNREIMBURSED ADMINISTRATIVE EXPENSES REPRESENTED BY THE DEPOSITS), OR UNDER THE GUARANTY, THE AUTHORITY SHALL BE ENTITLED TO RETAIN THE DEPOSITS, TOGETHER WITH ALL INTEREST THEREON AS HEREIN PROVIDED, AS LIQUIDATED DAMAGES FOR THE UNREIMBURSED ADMINISTRATIVE EXPENSES OF THE AUTHORITY AND THE CITY. THE PARTIES HAVE AGREED THAT THE AUTHORITY'S ACTUAL DAMAGES FOR UNREIMBURSED ADMINISTRATIVE EXPENSES, IN THE EVENT OF A FAILURE TO APPROVE, EXECUTE, AND DELIVER THE TRANSACTION DOCUMENTS AS SPECIFIED IN THE PRECEDING SENTENCE, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNT OF THE DEPOSITS TOGETHER WITH ALL ACCRUED INTEREST THEREON AS HEREIN PROVIDED IS A REASONABLE ESTIMATE OF THE DAMAGES FOR UNREIMBURSED ADMINISTRATIVE EXPENSES THAT THE AUTHORITY WOULD INCUR IN SUCH EVENT. BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: Authority _____ Developer _____

3.2 Authority/City Costs.

(a) Entitlement Costs. The Developer shall pay or cause to be paid all costs associated with applying for, obtaining and maintaining any necessary or appropriate entitlements for development of the Property, including the Regulatory Approvals described in Section 5.1(g) below (including, but not limited to, amendments to the City's General Plan needed to implement the Redevelopment Plan), all costs associated with satisfying any and all conditions imposed by regulatory agencies as part of any Regulatory Approvals, and the costs of environmental review related to the Transaction Documents required under CEQA. Neither the Authority nor the City shall be responsible for costs associated with obtaining such Regulatory Approvals or entitlements, except as may be specifically agreed by the Authority or the City in writing, in their respective sole and absolute discretion.

(b) Transaction Costs. In addition to the entitlement costs described in Section 3.2(a) above, and subject to the provisions of this subsection below, the Developer may be required to pay or cause to be paid to the Authority some or all of the reasonable costs and expenses actually incurred by the Authority and the City consistent with this Agreement in negotiating and seeking required approvals of the Transaction Documents and of the agreements with the Navy, the State Lands Commission, the Department of Toxic Substances (DTSC), Caltrans, and other governmental agencies required in connection with the transfer of the Property and the implementation of the Transaction Documents (collectively, the "Transaction Costs"). Transaction Costs shall include, without limitation, the fees and expenses of (i) the City Attorney's Office, the City, and the Authority staff, (ii) such outside counsel and third-party consultants, advisors and professionals (including, but not limited to, financial advisors, real estate and urban economic consultants, and development consultants) as the Authority or the City may deem appropriate to negotiate the Transaction Documents, subject to the provisions of this Section below, and (iii) costs incurred by the City or the Authority related to public outreach and information in the City.

Subject to sufficient appropriations by the Board of Supervisors to the Authority for the purpose of addressing the matters described in Section 1.2 above, the Authority intends to pay for a portion of its own Transaction Costs. However, the Authority may require the Developer to pay, and The Developer hereby agrees to pay for a portion of the Authority's Transaction Costs an amount not to exceed cumulatively One Hundred Thousand Four Million Dollars (\$100,000,000) per month times each month of \$4,000,000 during the Exclusive Negotiation Period, including any extension periods (the "Authority Reimbursement Cap"). (Thus, for example, upon the Effective Date of this Agreement, absent any extensions of the Exclusive Negotiation Period pursuant to the Extension Option or for events of Force Majeure, the amount of the Authority Reimbursement Cap would be One million Eight Hundred Thousand Dollars (\$1,800,000).) Within five (5) business days of the Effective Date of this Agreement, and every six (6) months thereafter, the Authority shall submit to Developer an anticipated budget (consistent with the Authority Reimbursement Cap) of the portion of the Authority's Transaction Costs that the Authority expects the Developer will be required to pay for the succeeding six (6) month Exclusive Negotiation Period (each, a "Budget").

The parties acknowledge that each ~~Budget~~ the Authority Reimbursement Cap will be based on the costs related to the Transaction Documents on the assumption that the Transaction Documents will be consistent with matters described in Section 1.2 above. The parties further acknowledge and agree that while the Authority believes each Budget and the Authority Reimbursement Cap will be adequate for the completion of the negotiations within the initial ~~eighteen (18) month Exclusive Negotiation Period~~, each ~~Budget and~~ Term of this Agreement, the Authority Reimbursement Cap may need to be modified by the Authority from time to time to add consultants and/or increase cost estimates of staff and/or outside contractors or to address changes in the scope of the negotiations. To the extent any changes in a ~~Budget would cause that Budget (combined with any prior sums actually paid to the Authority by Developer for its Transaction Costs) to exceed the total amount of the then applicable~~ the Authority Reimbursement Cap is required, such changes will require the prior written approval of Developer, which approval shall not be unreasonably withheld, conditioned, or delayed.

The Authority shall deliver to the Developer bi-annually every six (6) months a summary relating to the Authority's and City's actual expenditures of the those Transaction Costs during the previous six-month period that the Authority requires the Developer to pay or reimburse in accordance with this Section 3.2(b). The summary shall be in a reasonably detailed form and shall include a description of the services performed and the costs to be reimbursed, and the Authority shall provide such supporting documentation as the Developer may reasonably request to verify that the Transaction Costs were incurred pursuant to this Agreement. The Authority and the Developer shall cooperate with one another to develop a Transaction Cost Report (each, a "Transaction Costs Report") format that satisfies the reasonable informational needs of the Developer to justify expenditures for the Authority's Transaction Costs in accordance with this Agreement. The Transaction Cost Report shall be binding on the Developer in the absence of error demonstrated by the Developer.

Subject to the Developer's receipt of a Transaction Cost Report for the previous six (6)-month period, the Developer shall pay to the Authority within thirty (30) days' receipt of such Transaction Cost Report the amount of the Transaction Costs set forth therein, provided such costs were both reasonable and actually incurred over the immediately preceding six-month period, subject to the total amount of the Authority Reimbursement Cap. If Developer fails to make any such payment within such period, the Authority may deduct the amount due and owing from the Deposits without limiting any of its other rights and remedies hereunder, and Developer shall be required within three (3) days of written notice thereof to replenish the Deposits by an amount equal to the amount deducted by the Authority.

Notwithstanding anything to the contrary contained in this Agreement, all of the foregoing provisions of this Section 3 shall survive any termination of this Agreement, including, without limitation, a termination for default by either party.

Any payment made by the Developer for the Authority's Transaction Costs pursuant to this Section 3.2 shall either be treated as a part of the Developer's Predevelopment Costs or offset against Developer's future rent obligations for the Property, as will be set forth in greater detail in the Term Sheet, and ultimately the DDA or ground lease for the Property.

4. Extension of Exclusive Negotiation Period.

4.1 6-Month Extension Option.

The Developer shall have two six (6) month options to extend the Exclusive Negotiation Period (each an "Extension Option"), subject to the consent thereto by the Executive Director of the Authority as further provided below. The Developer shall exercise each Extension Option by written notice to the Authority on or before the thirtieth (30th) day before the end of the initial Exclusive Negotiation Period or the end of an Extension Option period, together with cash or a cashier's check in the amount of Fifty Thousand Dollars (\$50,000) (the "Extension Option Deposit"). The Extension Option Deposit shall be held by the Authority and added to the Earnest Money Deposit and the Performance Deposit if the Executive Director consents to the extension. The Executive Director of the Authority shall consent to the Developer's exercise of the Extension Option if (i) the Developer has paid the Extension Option Deposit in the manner specified above; (ii) the Developer has paid all Transaction Costs due and owing; (iii) the Developer has negotiated in good faith in accordance with this Agreement and the extension is not needed as a result of the Developer's failure to comply with this Agreement; and (iv) at the time of giving the notice of exercise of the Extension Option and at the beginning the term of the Extension Option, the Developer is not in default under this Agreement and no event shall have occurred which, with the giving of notice or the passage of time, or both, would constitute such a default.

4.2 4.0 Force Majeure.

The parties acknowledge that their ability to successfully complete the negotiation of the Transaction Documents is dependent to some extent on certain agreements with third parties, such as agreements with the Navy for the transfer of the Property and the State Lands Commission with respect to the public trust, and may also be dependent on certain Regulatory Approvals and other conditions that are outside of their control. If before the date required for approval of the Transaction Documents set forth in the Schedule of Performance (i) any of such third-party agreements, Regulatory Approvals, or other conditions are not finalized or (ii) any litigation that does not constitute Litigation Force Majeure as defined below is brought by a third party (excluding any action or proceeding brought by an Affiliate of the Developer, any of the Developer's members or their Affiliates, any consultant of the Developer, or any other third party assisted by the Developer, directly or indirectly, in such action or proceeding) and remains outstanding, then the parties agree to attempt in good faith to negotiate the Transaction Documents and enter into them, subject to the terms and conditions of this Agreement, by incorporating provisions in the Transaction Documents that address these matters as conditions precedent to the obligations of the parties and to the close of escrow under the DDA. However, if the parties, despite the Developer having negotiated in good faith in accordance with this Agreement, are unable to meet the required completion date for approval of the Transaction Documents set forth in the attached Schedule of Performance due to Force Majeure or Litigation Force Majeure (as such terms are defined below), then the Developer shall have the right, at its option, to extend the Exclusive Negotiation Period, upon the following terms and conditions.

(a) Definitions. As used in this Section, the following terms shall have the meanings set forth below:

"Force Majeure" means a third-party agreement, Regulatory Approval or other third-party approval, in each case outside of the Developer's control, that has not been obtained or become final and that is so central to the basis of the bargain of the parties under the Transaction Documents that the parties could not reasonably enter into the Transaction Documents with conditions to the close of escrow, as provided above. Notwithstanding the foregoing, the following shall be excluded from Force Majeure: (1) any third-party agreement or approval with or by the Developer's contractors, agents, consultants, members, executive committee, employees, officers, or any Affiliates of any of the foregoing, (2) the Developer's inability to obtain financing or enter into construction contracts, and (3) any other agreement between the Developer and a third party.

"Litigation Force Majeure" means any action or proceeding before any court, tribunal, or other judicial, adjudicative or legislative decision-making body, including any administrative appeal, brought, for reasons outside of the control of the Developer, by a third party that: (1) seeks to challenge either (a) the validity of any action taken by the City or Authority with respect to the Transaction Documents or the Redevelopment Plan or plan documents, including the Authority's selection of the Developer as the primary developer of the Property, the approval by the Authority and/or the City of any of the proposed Transaction Documents, the performance of any action required or permitted to be performed by the Authority or City hereunder, or under the proposed Transaction Documents, or any findings upon which any of the foregoing are predicated, or (b) the validity of any other Regulatory Approval that is required for the conveyance, management or redevelopment of the Property as contemplated hereby and that is so central to the basis of the bargain of the parties under the Transaction Documents that the parties could not reasonably enter into the Transaction Documents with conditions to the close of escrow, as provided above; and (2) the pendency of such action is reasonably likely to prevent the parties from either entering into the Transaction Documents or satisfying the conditions to the close of escrow set forth therein, such as obtaining financing or Regulatory Approvals on substantially the same terms set forth in the Term Sheet or any substantially final drafts of the Transaction Documents. Notwithstanding the foregoing, Litigation Force Majeure shall exclude any action or proceeding brought by an Affiliate of the Developer, any of the Developer's members or their Affiliates, any consultant of the Developer, or any other third party assisted by the Developer, directly or indirectly, in such action or proceeding.

"Upset Date" means in the case of either an event of Force Majeure or Litigation Force Majeure, twelve (12) months after the end of the Exclusive Negotiation Period; provided, however, that in the event a Litigation Force Majeure event occurs after the date that the final form of the Transaction Documents have been completed and mutually agreed upon by the Developer and the Executive Director of the Authority as set forth in item 4 of the Schedule of Performance, the Upset Date shall mean twenty-four (24) months after the end of the Exclusive Negotiating Period.

(b) Force Majeure Extension Notice. By the required completion date for approval of the Transaction Documents set forth in the Schedule of Performance, the Developer

shall give the Authority written notice of the Developer's election to extend the Exclusive Right (the "Force Majeure Extension Notice"). In the Force Majeure Extension Notice, the Developer shall state in reasonable detail the reason(s) such extension is allowed under the terms of this Agreement and the Developer's good-faith estimate of when the completion of the milestone will occur, which must be on or before the Upset Date. The date for the performance of such milestone shall be extended to the date specified in the Force Majeure Extension Notice under the following circumstances: (1) at the time notice is given and at the beginning of the extension period there is no event of default on the part of the Developer under this Agreement and no event that with the giving of notice or the passage of time, or both, would constitute such a default; (2) the Developer has paid any additional amount for Transaction Costs that the Authority reasonably anticipates will be needed during the extension period; (3) the Authority Board reasonably finds that there is a sufficient basis for the extension for Force Majeure or Litigation Force Majeure in accordance with this Section (subject to the arbitration provisions of subsection (d) below); and (4) in no event shall the date extend beyond the Upset Date.

If the Developer does not give the Force Majeure Extension Notice as provided above, this Agreement shall automatically expire at the end of the Exclusive Negotiation Period.

With respect to any event of Litigation Force Majeure, the parties shall each proceed with due diligence and shall cooperate with one another to defend the action or proceeding or take other measures to resolve the dispute that is the subject of such action or proceeding, provided that the Developer shall pay for the costs of such litigation, including Attorneys' Fees and Costs (as defined in Section 12.6), except to the extent such litigation results from the negligence or willful misconduct of the Authority or the City. Except where such litigation alleges the negligence or willful misconduct of the Authority or the City, the Developer shall, at its option but subject to the reasonable consent and approval of the Authority, be entitled to control the defense, compromise, or settlement of any such Litigation Force Majeure matter through counsel of the Developer's own choice; provided, however, in all cases the Authority and/or the City shall be entitled to participate in such defense, compromise, or settlement at its own expense. If the Developer shall fail, however, within a reasonable time following notice from Authority alleging such failure, to take reasonable and appropriate action to defend such suit or claim, the Authority shall have the right promptly to use its General Counsel, the City Attorney, or to hire outside counsel to carry out such defense, which expense shall be due and payable to the Authority by the Developer within ten (10) business days after receipt by the Developer of an invoice therefor. Such litigation expenses shall be considered entitlement costs under Section 3.2(a) of this Agreement.

If the Exclusive Negotiations Period is extended due to Force Majeure or Litigation Force Majeure, nothing herein shall limit the right of the parties from diligently negotiating in good faith, subject to the provisions of this Agreement, any change to the proposed business terms of the Transaction Documents that such party determines in good faith is needed as a result of the outcome of such event of Force Majeure or Litigation Force Majeure or of a change in circumstances resulting from such extension.

(c) Covenant Not to Exploit Rights. The Developer agrees that it will not exploit the provisions of this Section in order to seek to extend the Exclusive Negotiation Period

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(d) Arbitration of Disputes. In the event any dispute arises between the Authority and the Developer about the right of the Developer to extend the Exclusive Negotiation Period due to Force Majeure or Litigation Force Majeure under this Agreement, the length of the period for a permitted extension, the obligation of the parties to attempt to enter into the Transaction Documents with conditions precedent to their obligations as provided above, or about any other matter arising under this Section 4.2.4.0, the parties recognize and agree that such dispute should be resolved as quickly as possible and that such dispute shall be resolved by arbitration in the manner provided below.

In all events, the arbitrator shall be a licensed attorney at law in the State of California with at least fifteen (15) years' experience in complex commercial real estate transactions. Such person shall be disinterested in the subject matter of this Agreement and independent.

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ten (10) business days following the hearing, the arbitrator shall render his or her decision. The arbitrator shall have no right to modify any provision of this Agreement. In no event shall the hearing be held later than forty-five (45) days after the selection of the arbitrator.

Except as provided in California Code of Civil Procedure Section 1286.2 (as the same may be amended from time to time), the determination by the estimators or the arbitrator, as applicable, shall be conclusive, final, and binding on the parties. Neither the estimators nor the arbitrator shall have any power to modify any of the provisions of this Agreement. Subject to the provisions of this Section, the parties will cooperate to provide all appropriate information to the arbitrator. The arbitrator will each report his or her determination in writing. Such determination shall be consistent with the provisions of this Agreement and shall be supported by the reasons for the determination.

Any arbitration proceeding under this Section shall be subject to California Code of Civil Procedure Sections 1280 to 1294.2 (but excluding Section 1283.05 with respect to discovery) or successor California laws then in effect relating to arbitration generally. Any such proceeding shall be conducted in the City and County of San Francisco in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

The fees and expenses of the arbitrator and the costs and expenses of the arbitration proceeding, if any, shall be borne by the party that does not prevail in such arbitration, or if it is not clear which party prevailed, the arbitrator may determine the responsibility for fees and expenses. The parties waive any claims against the arbitrator, for negligence, malpractice, or similar claims in the performance of the estimates or arbitration contemplated by this Section.

With respect to the arbitration provided for in this Section, the parties agree as follows:

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISIONS IN THIS AGREEMENT DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

INITIALS: Authority _____ Developer _____

Any judgment upon the award rendered by the arbitration may be entered in any court having jurisdiction of such arbitration in accordance with the terms of this Agreement. This arbitration provision does not affect the rights of either Party to seek confirmation, correction or vacation of the arbitration award pursuant to California Code of Civil Procedure Section 1285 et seq. The Exclusive Negotiating Period shall be extended for the period of any arbitration proceedings instituted pursuant to this Section 4.0(d), to the extent that the subject matter of such arbitration relates to (i) the right of the Developer to extend the Exclusive Negotiating Period due to Force Majeure or Litigation Force Majeure under this Agreement, (ii) the length of the period for a permitted extension, (iii) the obligation of the parties to attempt to enter into the Transaction Documents with conditions precedent to their obligations as provided in the first paragraph to this Section 4.0, or (iv) about any other matter arising under this Section 4.0.

(e) No Further Extensions. Under no circumstances shall an extension attributable to an event of Force Majeure or Litigation Force Majeure extend beyond the Upset Date unless such limitation is expressly waived in writing by both parties, in their respective sole and absolute discretion, and approved by the Authority Board, in its sole and absolute discretion. Nothing in Section 4 shall limit the parties' respective rights and remedies (including, without limitation, their right to terminate) in the event of a default by the other party as provided in this Agreement.

5. Obligations of the Developer.

5.1 Obligations; Schedule of Performance.

In addition to any other obligations under this Agreement, the Developer agrees that it shall perform the following:

- (a) The Developer shall use good-faith efforts to diligently negotiate the Transaction Documents and cooperate in the preparation and submission of the Transaction Documents for approval. In doing so, the Developer shall meet the performance milestones on or before the dates set forth in the Schedule of Performance attached hereto as Exhibit B.
- (b) Under the direction of the Authority, the Developer shall work cooperatively with the TICAB, TIHDI, and other community-based organizations to ensure broad community participation in review of the Transaction Documents.
- (c) The Developer shall assist the Authority and the City in the negotiations with the Navy for the conveyance of the Property, provided that the Authority and the City shall be the lead in such negotiations and the Developer shall work under the direction and control of the Authority and the City at all times with respect to such negotiations.
- (d) The Developer shall assist the Authority and the City in the negotiations with the State Lands Commission for the exchange of public trust interests

within the Property, provided that the Authority and the City shall be the lead in such negotiations and the Developer shall work under the direction and control of the Authority and the City at all times with respect to such negotiations.

- (e) In cooperation with the Authority and the City, the Developer shall use good-faith efforts to diligently pursue all authorizations, approvals or permits required by any local, state, or federal governmental agency having jurisdiction over the Property for the conveyance, management and redevelopment of the Property ("Regulatory Approvals"), including, but not limited to, approvals of Caltrans, the Bay Conservation and Development Commission (BCDC), the State Lands Commission, the EPA, the Army Corps of Engineers, the DTSC, the Regional Water Quality Control Board (RWQCB), and the City's Board of Supervisors in approving the Redevelopment Plan and the City's Department of Public Health, Public Utilities Commission, Planning Commission, Department of Public Works, and Department of Building Inspection. The Developer shall not seek any Regulatory Approvals without first obtaining the prior written approval of the Authority. In the event the Authority approves the Developer's request to seek any such Regulatory Approvals, the Developer shall, throughout the permit process, consult and coordinate with the Authority and shall at all times work under the direction and control of the Authority and the City.
- (f) At the request of the Authority and/or the City and at the Developer's sole expense, the Developer shall prepare (or cause expert consultants approved by the Authority to prepare) and submit all reports, studies or other information reasonably necessary to obtain Regulatory Approvals.
- (g) The Developer shall comply with the requirements of all applicable City and Authority ordinances, resolutions, regulations, or other Regulatory Approvals in all aspects (planning, design, construction, management, and occupancy) of redeveloping the Property, including, without limitation, the Authority's Equal Opportunity Program (including, but not limited to, the selection of consultants during the pre-development period), Business Preference Program, Labor Standards and Prevailing Wages Program, the City's Minimum Compensation Ordinance, the City's Health Care Accountability Ordinance, and the TIHDI Job Broker Program. In addition, the Developer shall adhere to the City's Employee Signature Card Ordinance to the extent that such ordinance would be applicable to uses in the Property.
- (h) The Developer shall not violate any applicable agreements between the City and/or the Authority and the Navy with respect to the Property.

- (i) The Developer shall pay or cause to be paid all costs related to the Developer's obligations under this Agreement, including, without limitation, all costs associated with applying for, obtaining and maintaining any necessary or appropriate Regulatory Approvals, and all costs associated with satisfying any and all conditions imposed by regulatory agencies as part of any Regulatory Approvals as provided in Section 3.2(a).
- (j) The Developer shall pay or cause to be paid certain Transaction Costs incurred by the Authority and the City as provided in Section 3.2(b).
- (k) In making any entry onto the Property, neither the Developer nor any of its agents, contractors, or representatives shall interfere with or obstruct the permitted, lawful use of the Property by its tenants or occupants, or the conduct of their business operations thereon, nor shall the Developer interfere with the investigation or remediation of Hazardous Materials on the Property by the Navy or subject to Section 5.2 cause a release of any such Hazardous Materials (except for any such testing as may be permitted by the Navy in writing), and the Developer and its agents, contractors and representatives shall comply with all requirements of the Navy applicable to the City and the Authority for the Property.
- (l) The Developer shall provide periodic updates to the public about the implementation of the project according to the Project Guidelines and the Developer's proposals for redevelopment of the Property, or portions thereof, including, without limitation, presentations to the community and the public in connection with the milestones described in the Schedule of Performance attached as Exhibit B.
- (m) The Developer shall commit sufficient financial and personnel resources required to undertake and complete the Property as a priority project and to fulfill the Developer's obligations under this Agreement in an expeditious fashion.
- (n) Every six (6) months from the Effective Date of this Agreement, the Developer shall provide the Authority with a written report (in a form mutually agreeable to the Authority and the Developer) detailing the amount and nature of its Predevelopment Costs, cumulatively and for the previous three-month period

5.2 Indemnity.

The Developer shall indemnify, protect, defend and hold harmless the Authority and the City, including, but not limited to, all of their boards, commissions, departments, agencies and other subdivisions, including, without limitation, all of the agents, contractors, and representatives of the City and the Authority, and their respective heirs, legal representatives, successors, and assigns, and each of them (the "Indemnified Parties") from and against any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits, and other proceedings, judgments, awards, costs, and expenses (including, without limitation, reasonable Attorneys' Fees and Costs and consultants' fees and costs) of whatever kind or nature, known or unknown, contingent or otherwise ("Losses") to the extent arising out of: (i) the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person that may occur on or adjacent to the Property and that may be caused by any acts or omissions of the Developer or its agents, contractors, or representatives, (ii) any default by the Developer in the observation or performance of any of the terms, covenants, or conditions of this Agreement to be observed or performed on the Developer's part, (iii) the entry by Developer, its agents, contractors, representatives, or invitees or any person claiming through or under any of them, upon the Property, and (iv) any release of Hazardous Materials (as defined below) on or about the Property caused by the Developer or its agents, contractors, or representatives; except only to the extent of Losses resulting from the negligence or willful misconduct of any of the Indemnified Parties. For purposes hereof, "Hazardous Material" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," "pollutant," or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or under Section 25281 or 25316 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed under Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Property, or are naturally occurring substances on, in or about the Property; and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids.

The foregoing indemnity is subject to the following terms and conditions:

- (a) The indemnity shall include, without limitation, reasonable Attorney's Fees and Costs (as defined in Section 12.6) and fees of consultants and experts, laboratory costs, and related costs, as well as the Indemnified Party's costs of investigating any Loss.
- (b) The Developer agrees to defend the Indemnified Parties against any claims, which are actually or potentially within the scope of the indemnity provisions of this Agreement even if such claims may be groundless, fraudulent or false. The Authority or the other Indemnified Party against

whom any claim is made, which may be within the scope of the indemnity provisions of this Agreement, shall provide notice to the Developer of such claim within a reasonable time after learning of such claim, and thereafter shall cooperate with the Developer in the defense of such claim, provided that any failure to provide such notice shall not affect Developer's obligations under any such indemnity provisions except to the extent the Developer is prejudiced by such failure.

- (c) The insurance requirements and other provisions of any permit to enter or other agreement with the Authority shall not limit the Developer's indemnification obligations under this Agreement.
- (d) The indemnification obligations of the Developer set forth in this Agreement shall survive any termination of this Agreement as to any acts or omissions occurring prior to such date.
- (e) The agreement to indemnify set forth in this Agreement is in addition to, and in no way shall be construed to limit or replace, any other obligations or liabilities which the Developer may have to the Authority in this Agreement, any permit to enter, or applicable law.
- (f) The Developer shall, at its option but subject to the reasonable consent and approval of the Authority, be entitled to control the defense, compromise, or settlement of any indemnified matter through counsel of the Developer's own choice; provided, however, in all cases the Authority and/or the City shall be entitled to participate in such defense, compromise, or settlement at its own expense. If the Developer shall fail, however, within a reasonable time following notice from Authority alleging such failure, to take reasonable and appropriate action to defend such suit or claim, the Authority shall have the right promptly to use its General Counsel, the City Attorney, or to hire outside counsel to carry out such defense, which expense shall be due and payable to the Authority by the Developer within ten (10) business days after receipt by the Developer of an invoice therefor.

5.3 Insurance.

(a) Required Coverage. The Developer, at no cost to the Authority, shall procure and keep in effect at all times during the Exclusive Negotiation Period, as it may be extended, the following insurance against claims for injuries to persons or damages to property that may arise from or in connection with work performed pursuant to this Agreement by the Developer, its representatives, agents, employees, consultants, subcontractors, or joint venture partners:

- (1) Commercial general liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined

Agreement, the Authority shall notify the Developer of such determination, and the Developer shall have the right to decrease the insurance coverage and/or forms required under this Agreement accordingly. In such event, the Developer shall promptly deliver to the Authority a certificate evidencing such new insurance amounts and/or forms.

6. Obligations of the Authority.

Subject to the provisions of Section 8, the Authority agrees as follows:

- (a) Subject to environmental review under CEQA, the public review process and all required governmental approvals, as further provided in this Agreement, the Authority shall use good-faith efforts to diligently negotiate, prepare, and submit for approval the Transaction Documents.
- (b) The Authority shall make available non-privileged studies and other documents in the Authority's possession as necessary to perform the Developer's due diligence investigations of the Property, provided that the Authority makes no representations or warranties whatsoever regarding the completeness or accuracy of such information and the Developer must perform its own independent analysis.
- (c) The Authority shall provide information to the Developer regarding the negotiations by the City and/or the Authority with the Navy, Caltrans, State Lands Commission and any other regulatory agencies that could affect the conveyance, management or redevelopment of the Property and shall provide the Developer with an opportunity for input, subject to the provisions of Sections 5.1(c), (d), and (e).
- (d) The Authority shall reasonably cooperate with the Developer in obtaining and providing access to the Property for the purpose of performing tests, surveys, and inspections and obtaining data necessary or appropriate to negotiate the Transaction Documents and obtain Regulatory Approvals; provided, however, the Developer shall give prior written notice to the Authority of any such entry and shall, if the Authority or the Navy so requires, obtain a permit to enter from the Authority and/or the Navy for such entry and comply with such insurance and indemnification requirements as the Authority and/or the Navy may impose with respect to such inspections. In the case of invasive tests under any permit to enter granted by the Authority, the Authority may impose such insurance, indemnification, guaranty and other requirements as the Authority determines appropriate, in its sole discretion. The Authority shall provide the Developer with the same rights of access to the Property that the Authority may have from time to time during the Exclusive Negotiation Period, subject to the Navy's consent and all applicable laws and regulations.

- (e) The Authority shall reasonably cooperate with the Developer in the provision of information and assistance in the filing, processing and obtaining of Regulatory Approvals and, to the extent required by law, join with the Developer as a co-applicant in the filing for such Regulatory Approvals, but neither the Authority nor the City shall be required to satisfy any conditions for any Regulatory Approval, except as may be specifically provided in the Transaction Agreements and agreed to by the Authority or the City, as applicable, in its respective sole and absolute discretion.
- (f) In making any entry onto the Property, neither the Authority nor any of its agents, contractors, or representatives shall interfere with or obstruct the permitted, lawful use of the Property by its tenants or occupants, or the conduct of their business operations thereon, nor shall the Authority interfere with the investigation or remediation of Hazardous Materials on the Property by the Navy or cause a release of any such Hazardous Materials (except for any such testing as may be permitted by the Navy in writing).
- (g) ~~Every As set forth in Section 3.2(b) above, every~~ six (6) months from the Effective Date of this Agreement, the Authority shall provide the Developer with a written report (in a form mutually agreeable to the Authority and the Developer) detailing the amount and nature of its Predevelopment Costs, cumulatively and for the previous three-month period.

7. Non-Assignment.

7.1 Definitions.

For purposes of this Section and where such initially capitalized terms are elsewhere used in this Agreement, the following terms shall have the meaning given below:

“Affiliate” means any person that directly or indirectly Controls, is Controlled by or is under Common Control with, the Developer (or a Permitted Member of the Developer, as the case may be).

“Control” means the ownership (direct or indirect) by one Person of (i) twenty-five percent (25%) or more (or if such Person is not publicly traded fifty percent (50%) or more) of each class of equity interests (including rights to acquire such interests), or (ii) twenty-five percent (25%) or more (or if such Person is not publicly traded fifty percent (50%) or more) of each class of interests that have a right to nominate, vote for, or otherwise select the members of the board or other governing body that directs or causes the direction of substantially all of the management and policies of that Person.

“Controlled,” “Controlling Interest” and “Controlling” have correlative meanings.

single limit for bodily injury and property damage, including contractual liability, independent contractors, broad-form property damage, fire damage legal liability (of not less than One Million Dollars (\$1,000,000)), personal injury, products and completed operations, explosion, collapse, and underground (XCU).

- (2) Worker's Compensation Insurance with Employer's Liability limits not less than One Million Dollars (\$1,000,000) each accident.
- (3) Comprehensive automobile liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if the Developer uses automobiles in connection with its use of the Property.

(b) Term. Should any of the required insurance be provided under a claims-made form, the Developer shall maintain such coverage continuously throughout the Exclusive Negotiation Period and, without lapse, for a period of three (3) years beyond the expiration or termination of such period, to the effect that, should occurrences during the Exclusive Negotiation Period give rise to claims made after expiration or termination of this Agreement, such claims shall be covered by such claims-made policies.

(c) Aggregate Limits. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, either the general aggregate limit must apply separately to this project or the general aggregate limit shall be twice the required occurrence or claims limits specified above. The obligations under this subsection shall survive any termination of this Agreement.

(d) Endorsements. All liability insurance policies shall be endorsed to provide the following:

- (1) Name as additional insured the Authority and the City and County of San Francisco, and their respective officers, agents, and employees.
- (2) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Agreement and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any other insured, and shall afford coverage for all

claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

- (3) Provide thirty (30) days' advance written notice to the Authority of cancellation, non-renewal, or reduction in coverage (or ten (10) days' advance written notice in case of nonpayment of premium), mailed to the address for the Authority set forth in this Agreement.

(c) Insurers. Each insurance policy required under this Section shall be issued by an insurance company duly authorized to do business in the State of California and with a current rating of A.VIII or better by Bests Key Rating Guide.

(f) Evidence of Coverage. The Developer shall deliver to the Authority certificates of insurance in form satisfactory to the Authority, evidencing the coverage required hereunder, together with complete copies of the policies promptly upon the Authority's request. The Developer shall provide the Authority with certificates or policies thereafter at least ten (10) business days before the expiration dates of expiring policies. In the event the Developer shall fail to procure such insurance or to deliver such policies or certificates, the Authority may upon not less than five (5) business days' notice to the Developer, procure, at its option, without waiving any rights or remedies which the Authority may have for the Developer's default hereunder, the same for the account of the Developer, and the cost thereof shall be paid to the Authority within five (5) business days after delivery to the Developer of bills therefor.

(g) No Limitation on Other Obligations. The Developer's compliance with the provisions of this Section shall in no way relieve or decrease the Developer's other obligations under this Agreement. In addition, nothing in this Section or in Section 5.2 shall limit the obligation of the Developer under Section 6(d) below to procure and maintain such insurance or provide such indemnification as the Authority may require for a permit to enter any portion of the Property now or later owned, leased, or otherwise controlled by the Authority, nor shall anything in this Section or in Section 5.2 be deemed to limit the insurance coverage or indemnification that the Authority may require under the Sublease or any other Transaction Documents.

(h) Review. The insurance coverage required under this Section shall be evaluated by the Authority and the Developer for adequacy if and when the Exclusive Negotiations Period is extended beyond the initial eighteen (18)-month period or for any event of Force Majeure or Litigation Force Majeure. Following consultation with the Developer, the Authority may, upon not less than ninety (90) days' prior written notice, require the Developer to increase the insurance limits and/or forms of coverage if in the reasonable judgment of the Authority's Risk Manager it is the general commercial practice in San Francisco or in other cities or counties around the country to carry insurance for property similar to the Property in amounts substantially greater than the amounts or forms carried by the Developer with respect to risks comparable to those associated with the Developer's rights under this Agreement. If the Authority's Risk Manager determines that insurance limits and/or forms required under this Section may be decreased in light of such commercial practice and the risks associated with this

"Common Control" means that two Persons are both Controlled by the same other Person.

"Permitted Members" means Kenwood Investments, any Affiliates thereof, KSWM Treasure Island, LLC, and any Affiliates and Lennar Corporation, and Interland, and any Affiliates thereof, and any new member of the Developer approved by the Authority.

"Person" means any individual, partnership, corporation (including, but not limited to, any business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, or any other entity or association, the United States, or federal, state or political subdivision thereof.

"Significant Change" means any dissolution, merger, consolidation or other reorganization, or any issuance, sale, assignment, hypothecation, or other transfer of legal or beneficial interests in the Developer, directly or indirectly, in one or more transactions, that results in any of the following: (1) a change in the identity of Persons Controlling the Developer or any Permitted Member, (2) the admission of any new member that has the right to exercise management or control over the business of the Developer, other than Permitted Members, (3) the dissolution of the Developer or any Permitted Member, (4) the sale of fifty percent (50%) or more of the Developer's assets, capital, or profits or of the assets, capital, or profits of any Person Controlling any Permitted Member, except to an Affiliate of a Permitted Member.

7.2 Non-Assignment.

(a) Exclusive Right is Personal to the Developer; Authority Approval of any Assignment or Significant Change. The Authority and the Developer acknowledge and agree that the Authority is entering into this Agreement and granting the Exclusive Right to the Developer on the basis of the particular experience, financial capacity, skills and capabilities of the Developer and its Permitted Members. The Exclusive Right is personal to the Developer and is not assignable and no Significant Change may occur under any circumstance (whether by agreement or operation of law) without the prior written consent of the Authority, which, except as specifically set forth in Section 7.2(b) below, may be given, withheld or conditioned in the Authority's sole and absolute discretion. Absent the required approvals set forth in this Section 7.2, any attempted assignment of this Exclusive Right, or a Significant Change, at the Authority's option, shall be considered an event of default under this Agreement if such default is not cured within thirty (30) days after the Authority gives written notice to the Developer.

(b) Notice and Approval of Change in Permitted Members. Subject to Section 9.1(a) below, any change in the (i) the identity of the Permitted Members of the Developer or (ii) the Controlling Interest of any Permitted Member (either, a "Constituent Change"), shall be subject to the prior written approval of the Authority, which approval shall not be unreasonably withheld or delayed. For purposes of this Section 7.2(b), it shall be reasonable for the Authority to refuse to approve a Constituent Change if the Developer fails to demonstrate that, after such Constituent Change, the Permitted Members of Developer will have at least the same level of

skill, development experience, financial capabilities and other relevant characteristics as the Permitted Members possess as of the Effective Date of this Agreement, based on the criteria set forth in the RFQ and the qualitative evaluations of Developer's response to the RFQ prepared by the Authority's staff and its consultants. Without limiting any other provision of this Agreement, if at any time and from time to time after the date of this Agreement there is any Constituent Change that the Authority has not previously approved in writing as set forth herein, then the Authority may, with the approval of the Authority Board following a public meeting, terminate this Agreement in the event that the Authority Board does not approve such Constituent Change. If the Authority terminates this Agreement as provided above, the Authority may retain the Deposits, including any interest thereon, in accordance with Section 3.1.

8. Default and Remedies.

8.1 Events of Default by the Developer.

The occurrence of any of the following shall constitute an event of default on the part of the Developer after the Authority gives notice of the default specifying in reasonable detail the basis for the determination of the default:

- (a) Failure to pay any sums due under this Agreement within fifteen (15) days after written notice by the Authority.
- (b) Failure to negotiate diligently or in good faith or to perform or abide by any other provision of this Agreement (including, without limitation, any failure to meet a performance milestone contained in the Schedule of Performance) if such failure is not cured within thirty (30) days after the Authority gives written notice to the Developer.
- (c) Any material breach of any representation and warranty made by the Developer under Section 9 or any other provision of this Agreement.
- (d) Any assignment, attempted assignment, or Significant Change in violation of Section 7.2.
- (e) Either (i) the filing by the Developer of a petition to have the Developer or any Permitted Member adjudicated insolvent and unable to pay its debts as they mature or a petition for reorganization or arrangement under any bankruptcy or insolvency law, or a general assignment by the Developer or any Permitted Member for the benefit of creditors, or (ii) the filing by or against the Developer or any Permitted Member of any action seeking reorganization, arrangement, liquidation, or other relief under any law relating to bankruptcy, insolvency, or reorganization or seeking appointment of a trustee, receiver, or liquidator of the Developer or any Permitted Member or any substantial part of the Developer's or any Permitted Member's assets, if such petition is not dismissed within sixty (60) days.

- (f) The debarment or prohibition of the Developer or any Permitted Member from doing business with any relevant federal, state, or local governmental authority.
- (g) Failure to procure or maintain any of the insurance coverage required hereunder so that there is a lapse in required coverage.

8.2 Remedies of the Authority.

(a) Remedies. In the event of a default by the Developer, the Authority may terminate this Agreement and the Exclusive Right upon written notice to the Developer following any applicable cure period under this Agreement; provided, however, the Authority may terminate this Agreement for default only after the Authority Board holds a noticed public meeting regarding such matter. This remedy is not exclusive, but shall be cumulative with any and all rights and remedies now or later provided under this Agreement or the Guaranty, or by law or in equity. Upon any such termination, the Authority shall have the right to retain the Deposits and all interest accrued thereon, and neither party shall have any further rights or obligations to the other under this Agreement except as provided herein (including, without limitation, the obligation to pay all accrued but unpaid Transaction Costs). Notwithstanding anything to the contrary contained herein, any damages remedy by the Authority against the Developer under this Agreement shall be limited to actual damages, excluding consequential and incidental damages.

(b) Reports and Studies. Developer shall make commercially reasonable efforts to include in all contracts related to the preparation of any Reports (as defined below), provisions that would allow such Reports to be assigned to the Authority automatically in the event of termination of this Agreement. If the Authority terminates this Agreement, then subject to the proprietary rights of their authors and any confidentiality agreements and privileges recognized by applicable law, the Developer shall deliver to the Authority copies of any and all reports, studies, document lists, and plans regarding the redevelopment of the Property in the Developer's possession or prepared by or on behalf of the Developer (collectively, the "Reports"). The Developer shall deliver such documents within thirty (30) days after written demand from the Authority, which obligation shall survive the termination. The Authority may use those documents for any purpose relating to the Property, provided that as to any documents which have not previously been disclosed to the public or otherwise were not received and filed by the Authority as a public record, the Authority shall execute a commercially reasonable indemnification agreement satisfactory to the Authority whereby the Authority agrees to release and indemnify the Developer and the Developer's contractor, architect, engineer, and other consultants from any Losses arising out of the Authority's use of such documents except to the extent that the Authority retains any of them and they agree to such continued liability, and, provided further, that (i) in the event that the Navy undertakes a sale or conveyance of the Property to a party other than TIDA or (ii) if in conjunction with the conveyance of Property to TIDA, TIDA defaults under this Agreement, TIDA shall not provide or produce such documents to any third party without compensating Developer for its actual costs of preparing such documents, except to the extent such documents are already public records or the Authority is required to provide or produce such documents under federal, state, or local law, including

without limitation, the California Public Records Act (Sections 6250 et seq., of the California Government Code) or the Sunshine Ordinance of the City and County of San Francisco.

(c) **Non-Liability of Directors and Officers of the Developer.** No director, officer, agent or employee of the Developer or of any Permitted Member will be personally liable to the Authority in an event of default by the Developer or for any amount that may become due to the Authority or on any obligations under the terms of this Agreement. No Permitted Member of Developer shall be individually liable to the Authority for any default by the Developer under this Agreement except as set forth in the Guaranty.

8.3 Defaults by the Authority.

If the Authority fails to negotiate diligently or in good faith or to perform any of its other obligations under this Agreement, the Developer may give written notice thereof to the Authority specifying in reasonable detail the basis for the determination of the default. Upon such notice, the Authority shall not be in default under this Agreement if the Authority cures such failure within thirty (30) days after the date the notice of default was given. If the default cannot reasonably be cured within thirty (30) days, then the Authority shall not be in default under this Agreement if the Authority commences to cure the default within the thirty (30)-day period and diligently and in good faith continues to cure the default; provided, however, in no event shall the cure period extend beyond the later of (i) nine (9) months after the date the notice of default was given or (ii) expiration of the Exclusive Negotiation Period.

8.4 Remedies of the Developer.

(a) **Termination.** In the event of a default by the Authority, the Developer may, at its sole option, terminate this Agreement upon written notice to the Authority following any applicable cure period under this Agreement. Subject to the limitations set forth below, this remedy is not exclusive, but shall be cumulative with any and all rights and remedies now or later provided under this Agreement or by law or in equity. Upon any such termination, the Authority shall return the Deposits (with any interest actually paid thereon as herein provided) and neither party shall have any further rights or obligations to the other under this Agreement except as provided herein.

(b) **Non-liability of Authority/City Officials.** No member, official, agent, or employee of the Authority or the City will be personally liable to the Developer, or any successor in interest (if and to the extent permitted under this Agreement), in an event of default by the Authority or for any amount that may become due to the Developer or successor or on any obligations under the terms of this Agreement.

(c) **Limitation on Damages Against the Authority.** The Authority shall not be liable in damages to the Developer and the Developer waives its right to sue the Authority for damages; provided, however, (1) actual damages only (excluding consequential, incidental or other damages) shall be available as to defaults that arise out of the failure by the Authority to pay any monetary fee or reimbursement required to be paid under this Agreement or due under any indemnity, (2) actual damages only (excluding consequential, incidental or other damages) limited to substantiated out-of-pocket expenses actually and reasonably incurred by the

Developer and in amounts not exceeding arms-length, market rates (with any transactions involving Affiliates specifically disclosed) shall be available to the Developer in the event that the Authority willfully and without good faith belief in an adequate basis therefor under this Agreement breaches any of the Authority's material obligations under this Agreement (and the Authority fails to cure such breach after the end of the applicable cure period) in order to begin negotiations with another developer in violation of this Agreement and (3) nothing herein shall limit the Developer's equitable remedy of specific performance or to terminate this Agreement under subsection (a) above.

(d) Developer's Risk. Subject to the foregoing provisions of this Section 8.4, the Developer acknowledges and agrees that it is proceeding at its own risk and expense until such time as the Transaction Documents are approved and without any assurance that the Transaction Documents will be approved.

9. Representations and Warranties of the Developer.

9.1 Representations and Warranties.

The Developer represents, warrants and covenants as follows:

(a) Valid Existence; Good Standing; Joint Venture Relationships. The Developer is a limited liability company duly organized and validly existing under the laws of the State of California. The Developer has all requisite power and authority to own its property and conduct its business as presently conducted. The Developer has made all filings and is in good standing in the jurisdiction of the State of California. The managing member of the Developer is Kenwood Investments. Lennar Corporation and Interland are the other members of the Developer. Each of the Permitted Members has made all filings and is in good standing in the jurisdiction of the State of California and in the state of their respective incorporation. As of the date hereof, the Developer has not entered into any other joint venture arrangements with respect to the acquisition, management, or redevelopment of the Property. No new members may be admitted to the Developer without the approval of the then existing members and of the Authority, as further provided in Section 7.2 of this Agreement.

(b) Authority. The Developer has all requisite power and authority to execute and deliver this Agreement and the agreements contemplated by this Agreement and to carry out and perform all of the terms and covenants of this Agreement.

(c) No Limitation on Ability to Perform. Neither the Developer's articles of organization or operating agreement, nor the organization documents of the Developer's Permitted Members, nor any other agreement or law in any way prohibits, limits, or otherwise affects the right or power of the Developer to enter into and perform all of the terms and covenants of this Agreement. Neither the Developer nor its Permitted Members is a party to or bound by any contract, agreement, indenture, trust agreement, note, obligation, or other instrument which could prohibit, limit, or otherwise affect the same. No consent, authorization, or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person or entity is required for the due execution, delivery, and performance by the Developer of this Agreement or any of the terms and covenants contained in

this Agreement. There are no pending or threatened suits or proceedings or undischarged judgments affecting the Developer, its Permitted Members before any court, governmental Authority, or arbitrator which might materially adversely affect the enforceability of this Agreement, the ability of the Developer to perform the transactions contemplated by this Agreement or the business, operations, assets, or condition of the Developer or its Permitted Members.

(d) Valid Execution. The execution and delivery of this Agreement and the agreements contemplated hereby by the Developer have been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms. The Developer has provided to the Authority a written resolution of the Developer authorizing the execution of this Agreement and the agreements contemplated by this Agreement.

(e) Defaults. The execution, delivery, and performance of this Agreement (i) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (a) any agreement, document, or instrument to which the Developer or, its Permitted Members' assets may be bound or affected, (b) any law, statute, ordinance, regulation, or (c) the articles of organization or the operating agreement of the Developer, and (ii) do not and will not result in the creation or imposition of any lien or other encumbrance upon the assets of the Developer or its Permitted Members.

(f) Meeting Financial Obligations; Material Adverse Change. Each of the Developer and its Permitted Members is meeting their respective current liabilities as they mature; no federal or state tax liens have been filed against any of them; and neither the Developer nor its Permitted Members is in default or claimed default under any agreement for borrowed money. The Developer shall immediately notify the Authority of any material adverse change in the financial condition of the Developer or its Permitted Members, and such material adverse change shall constitute a default under this Agreement, subject to the cure and remedy provisions of Section 8.

(g) Conflicts of Interest. The Developer is familiar with (i) Section 87100 et seq. of the California Government Code, which provides that no member, official, or employee of the Authority may have any personal interest, direct or indirect, in this Agreement nor shall any such member, official, or employee participate in any decision relating to this Agreement that affects her or his personal interest or the interests of any corporation, partnership or association in which she or he is interested directly or indirectly and (ii) the City's Personnel Policy, which prohibits former City employees and consultants from working on behalf of another party on a matter in which they have participated personally and substantially unless the Authority consents to such scope of work. As to the provisions referred to in clause (i), the Developer does not know of any facts that constitute a violation of such provisions. As to the policy in clause (ii), the Developer has disclosed to the Authority in writing any and all personnel or consultants covered by such policy as of the date of this Agreement, and concurrently herewith the Authority Board has elected to waive or not to waive the conflict as to such specific personnel or consultants.

(h) Skill and Capacity. The Developer has the skill, resources, and financial capacity to acquire, manage, and fully redevelop the Property consistent with the development opportunity described in the RFQ.

(i) Not Prohibited from Doing Business. Neither the Developer nor its Permitted Members (nor any Affiliates of any of the foregoing) have been debarred or otherwise prohibited from doing business with any local, state, or federal governmental Authority.

(j) Business Licenses. Each of the Developer and its Permitted Members has obtained all licenses required to conduct its business in San Francisco and is not in default of any fees or taxes due to the City and County of San Francisco.

(k) No Claims. The Developer does not have any claim, and shall not make any claim, against the Authority and the City, or either of them, or against the Property, or any present or future interest of the Authority or the City therein, directly or indirectly, by reason of: any aspect of the RFQ or the developer selection process; the entry into this Agreement or the termination of this Agreement (except as a result of the Authority's breach, subject to the limitations set forth herein); any statements, representations, acts or omissions made by the Authority, City, or any of their respective officers, commissioners, employees, or agents with regard to the Property or any aspect of the negotiations under this Agreement; and the Authority's exercise of discretion, decision, and judgment set forth in this Agreement.

9.2 Continued Accuracy.

If at any time during the Exclusive Negotiation Period any event or circumstance occurs that would render inaccurate or misleading any of the foregoing representations or warranties, the Developer shall immediately notify the Authority thereof. If the Developer does not cure such inaccuracy within thirty (30) days from the date on which the Developer was obligated to notify the Authority, the Developer shall be in breach of this Agreement and the Authority shall have the rights and remedies provided in Section 8.2.

9.3 Survival.

The representations and warranties in this Section shall survive any termination of this Agreement.

10. Notices.

A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

- (i) In the case of a notice or communication to the Authority:

Treasure Island Development Authority
Treasure Island Project Office

410 Avenue of the Palms, Bldg. 1, 2nd Floor
Treasure Island, San Francisco, CA 94130
Attn: Executive Director
Telefacsimile: (415) 274-0299
Telephone: (415) 274-0660

With a copy to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Miehael CohenDonnell W. Choy
Telefacsimile: (415) 554-4755
Telephone: (415) 554-47224736

- (ii) And in the case of a notice or communication sent to the Developer:

Treasure Island Community Development, LLC
c/o Kenwood Investments, LLC
One Ferry Building, Suite 350
San Francisco, CA 94111
Attn: Jay Wallace
Telefacsimile: (415) 956-3682
Telephone: (415) 402-0280

With a copy to:

Lennar Communities
49 Stevenson Street
San Francisco, CA 94105
Attn: Kofi Bonner
Telefacsimile: (415) 995-1778
Telephone: (415) 995-1770

For the convenience of the parties, copies of notice may also be given by telefacsimile.

Every notice given to a party hereto, pursuant to the terms of this Agreement, must state (or must be accompanied by a cover letter that states) substantially the following:

- (a) the Section of this Agreement pursuant to which the notice is given and the action or response required, if any;
- (b) if applicable, the period of time within which the recipient of the notice must respond thereto;
- (c) if approval is being requested, shall be clearly marked "Request for Approval under the Treasure Island Exclusive Negotiations Agreement"; and
- (d) if a notice of a disapproval or an objection which requires reasonableness, shall specify with particularity the reasons therefor.

Any mailing address or telefacsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made, or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. A party may not give official or binding notice by telefacsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

12. General Provisions.

12.1 Amendments.

This Agreement may be amended or modified only by a written instrument executed by the Authority and the Developer.

12.2 Severability.

If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and

12.6 Attorneys' Fees and Costs.

If either party fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights under this Agreement, including, without limitation, court costs and reasonable Attorneys' Fees and Costs (as defined below). Any such Attorneys' Fees and Costs incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such Attorneys' Fees and Costs obligation is intended to be several from the other provisions of this Agreement and to survive and not be merged into any such judgment. For purposes of this Agreement, the reasonable fees of attorneys of the Authority's General Counsel shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the Authority's General Counsel's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. "Attorneys' Fees and Costs" means any and all attorneys' fees, costs, expenses, and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and the costs and fees associated with any other legal, administrative, or alternative dispute resolution proceeding, fees and costs associated with execution upon any judgment or order, and costs on appeal.

12.7 Interpretation of Agreement.

(a) **Exhibits.** Whenever an "Exhibit" is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Exhibits are incorporated herein by reference.

(b) **Captions.** Whenever a section, article, or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(c) **Words of Inclusion.** The use of the term "including," "such as," or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term, or matter.

(d) **References.** Wherever reference is made to any provision, term, or matter "in this Agreement," "herein" or "hereof" or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the

context of such reference, unless such reference refers solely to a specific numbered or lettered, section or paragraph of this Agreement or any specific subdivision thereof.

(e) Recitals. In the event of any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail.

(f) No Presumption Against Drafter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

12.8 Entire Agreement.

This Agreement (including the Exhibits) contains all the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties, or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either party or any other person and no court or other body shall consider those drafts in interpreting this Agreement.

12.9 Time for Performance.

(a) Expiration. All performance dates (including cure dates) expire at 5:00 p.m., San Francisco, California time, on the performance or cure date.

(b) Weekends and Holidays. A performance date that falls on a Saturday, Sunday, or City holiday is deemed extended to the next working day.

(c) Days for Performance. All periods for performance specified in this Agreement in terms of days shall be calendar days and not business days, unless otherwise expressly provided in this Agreement.

(d) Time of the Essence. Time is of the essence with respect to each provision of this Agreement, including, without limitation, each milestone set forth in the attached Schedule of Performance.

12.10 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

12.11 Approvals and Consents.

Unless this Agreement otherwise expressly provides or unless the Community Redevelopment Law requires, all approvals, consents, or determinations to be made by or on behalf of the Authority under this Agreement shall be made by the Authority's Executive Director. Unless otherwise herein provided, whenever approval, consent or satisfaction is required of a party pursuant to this Agreement, it shall not be unreasonably withheld or delayed. The reasons for disapproval shall be stated in reasonable detail in writing. Approval by the Developer or the Authority to or of any act or request by the other shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests.

12.12 Real Estate Commissions.

The Developer and the Authority each represents to the other that it engaged no broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. In the event any broker, agent or finder makes a claim, the party through whom such claim is made agrees to indemnify the other party from any Losses arising out of such claim.

12.13 Survival.

Notwithstanding anything to the contrary in this Agreement, any indemnity or other obligation that arises and was not satisfied before termination shall survive any termination of this Agreement, except to the extent otherwise provided herein. In the event of any termination of this Agreement (other than a termination due to a default by the Authority), the Developer shall furnish copies of studies and reports to the Authority as provided in Section 8.2(b).

12.14 Confidentiality of Trade Secret, Personal, Financial and Other Proprietary Information.

The parties enter into this Agreement with the understanding that in the course of the negotiations the Authority may require or request that the Developer provide certain information that is proprietary. Such information may be necessary for the Authority to verify financial, operational, or trade secret information that is relevant to the negotiation of the Transaction Documents and that will serve the public interest in assisting the Authority to negotiate effectively. The Developer will provide such information, provided that as to such information the Developer reasonably designates as confidential or proprietary, the Authority shall not disclose such information publicly without the Developer's consent, except to the extent that the Authority is compelled to make such a disclosure under applicable law. The Authority agrees to notify the Developer of any public records request that involves information that the Developer has designated as confidential or proprietary under this Agreement. The Developer agrees to bear all the costs of any litigation that is filed to determine the applicability of the public records law to documents submitted by the Developer and designated as confidential or proprietary under this Section. The Developer acknowledges that the final drafts of the Transaction Documents proposed for approval by the Authority Commission will be made available to the public.

12.15 Non-Discrimination and Equal Benefits.

(a) The Developer covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, sex, marital status, familial status, lawful source of income (as defined in Section 3304 of the San Francisco Police Code), sexual orientation, or disability against any employee or applicant for employment with the Developer, in any of the Developer's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by the Developer.

(b) The Developer shall include in all subcontracts relating to this Agreement a non-discrimination clause applicable to such subcontractor in substantially the form of subsection (a) above.

(c) The Developer does not as of the date of this Agreement and will not during the Exclusive Negotiation Period, in any of its operations or in San Francisco or with respect to its operations under this Agreement elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in the Authority's Non-Discrimination in Contracts and Benefits Policy, adopted September 9, 1997, as amended February 4, 1998.

12.16 Relationship of the Parties.

The subject of this Agreement is a private development with neither party acting as the agent of the other party in any respect. None of the provisions in this Agreement shall be deemed to render the Authority a partner in the Developer's business, or joint venturer or member in any joint enterprise with the Developer.

12.17 Cooperation.

In connection with this Agreement, the Developer and the Authority shall reasonably cooperate with one another to achieve the objectives and purposes of this Agreement. In so doing, the Developer and the Authority shall each refrain from doing anything that would render its performance under this Agreement impossible and each shall do everything that this Agreement contemplates that the Party shall do to accomplish the objectives and purposes of this Agreement.

IN WITNESS WHEREOF, the Authority and the Developer have duly executed and delivered this Agreement as of the date first written above.

TREASURE ISLAND DEVELOPMENT AUTHORITY

By _____

Anne Marie Conroy

Tony Hall

Executive Director

Pursuant to Authority Board Resolution No. _____,

Adopted on _____, 2003

APPROVED AS TO FORM:

DENNIS J. HERRERA

City Attorney

By: _____

Deputy City Attorney

TREASURE ISLAND COMMUNITY DEVELOPMENT,
a California limited liability company

By

By _____

Print name _____

Its _____

By _____

Print name _____

Its _____

[signatures continue]

THE FOREGOING EXCLUSIVE NEGOTIATIONS AGREEMENT (INCLUDING, WITHOUT LIMITATION, RECITAL M AND SECTIONS 7 AND 9.1(A)) HAS BEEN REVIEWED AND CONSENTED TO BY:

By _____
Print name _____
Its _____

By _____
Print name _____
Its _____

By _____
Print name _____
Its _____

By _____
Print name _____
Its _____

EXCLUSIVE NEGOTIATIONS AGREEMENT

LIST OF EXHIBITS

EXHIBIT A	Map of the Property
EXHIBIT B	Schedule of Performance
EXHIBIT C	Guaranty

EXHIBIT B

SCHEDULE OF PERFORMANCE

The following actions by the Developer are necessary and precedent to approval, execution and delivery of the Transaction Documents. All terms used herein shall have the same meanings provided in the Agreement. In the event of any inconsistency between this Schedule and the Agreement, the Agreement shall prevail.

In order to address a few key development issues raised by Developer's response to the RFP that are so central to the financial and regulatory structure of the Transaction Documents that they should be analyzed further before the Term Sheet negotiations are concluded, Developer will be required to complete certain additional studies regarding the proper location of the ferry terminal, the feasibility of on-site waste water treatment and peer review of Developer's geotechnical assumptions and approaches, as mutually agreed by Developer and the Authority's Executive Director (together the "Studies").

After presentation of the Studies to the TICAB and the TIDA Board, approval by the Authority Board is required at each of the following major milestones: (1) endorsement of a summary of key terms and conditions of the Transaction Documents consistent with the guidelines and requirements set forth below (the "Term Sheet"); and (2) approval of the final Transaction Documents. In addition, City actions will be required for the final Transaction Documents, including certain approvals by the City's Planning Commission and Board of Supervisors.

The parties envision that the development of the Term Sheet and Transaction Documents will be an iterative process, with interaction between them at each step along the way. The Studies will inform the completion of the Term Sheet, which will in turn guide the negotiation and preparation of the Transaction Documents. The achievement of these milestones shall be governed by the time frames set forth below and the other terms and conditions of the Agreement.

The Authority and the Developer will cooperate to provide information to the community and the public throughout the negotiations process and to provide opportunities for community review, including through the TICAB, prior to the actions or approvals of these three major milestones.

<u>Event</u>	<u>Required Completion Date</u>
1. Completion of a Term Sheet mutually agreeable to Developer and Authority, including endorsement from Authority Board after TICAB review.	June 30, 2006
2. Completion of final drafts of Transaction Documents mutually agreeable to Developer and Authority.	March 1, 2008
3. Approval of Transaction Documents by Authority Board and City's Board of Supervisors, after community review by TICAB, and after the completion of all required environmental review under CEQA and the adoption of a final redevelopment plan for the Property, and subject to all applicable Regulatory Approvals.	June 30, 2008

Deleted: 1. Completion of the Studies.

Deleted: 120 days (4 months) from the Effective Date of the Agreement

Deleted: 2

Deleted: 240 days (8 months) from the Effective date of the Agreement

Deleted: Executive Director.

Deleted: 3. Authority Board endorsement of Term Sheet, after TICAB review.

Deleted: 300 days (10 months) from the Effective Date of the Agreement

Deleted: 4

Deleted: 150 days (5 months) after Authority Board endorsement of the Term Sheet (estimated to be 450 days (15 months) from the effective date of the Agreement)

Deleted: Executive Director

Deleted: 5

Deleted: 240 days (8 months) after Authority board endorsement of the Term Sheet (estimated to be 540 days (18 months) from the Effective Date of the Agreement), subject to extensions of the Exclusive Negotiation Period pursuant to the Extension Option and certain events of Force Majeure, as set forth in the Agreement, but in no event later than the Upset Date set forth in the Agreement.

A. Required Contents of Term Sheet. The Term Sheet shall set forth the basic development guidelines, financial framework and other key terms and conditions of the Transaction Documents. The Term Sheet shall comprehensively address, at a minimum, the following:

1. Further refinements to the land use plan for the Property, including the final boundaries of Developer's project, more detail regarding non-residential uses of the Property, and the key elements of the Design for Development ("DFD") and design review and application procedures that will govern the vertical development of the Property.
2. The amount of parking to be provided for each type of use and the manner in which parking will be provided, including the feasibility of shared parking facilities and the location (both initially and for later stages of development) of the main ferry terminal for the Property.
3. Based on further input from staff of the State Lands Commission, any further revisions to Developer's overall land use plan for the Property necessary to support a Tidelands Trust exchange mutually agreeable to Developer and the Authority.
4. Based on peer review of the geotechnical assumptions and solutions underlying Developer's plan, any further revisions to Developer's overall land use plan for the Property necessary to address issues raised by such peer review.
5. Further refinements to the phasing plan for development of the Property, including a more detailed schedule of performance.

6. Description of a transition plan regarding the replacement and/or relocation of 220 to 375 TIHDI residential units, and the relocation of existing uses and residents and TIHDI programs, and how the Developer plans to manage construction in close proximity to existing residential uses.
7. Further refinements to the infrastructure plan for the Property, including the means for treating wastewater.
8. Further refinements to the financing plan, including more detail regarding the means of financing the construction and maintenance of public infrastructure, open space and community and cultural facilities, and the Authority's on-going cost of implementing the Transaction Documents and administering and overseeing the Project.
9. Description of the material business terms for the transaction, including the nature of the Authority's participation in project revenues, based on a mutually agreeable development pro-forma showing anticipated revenues and expenses of the proposed project for the full build-out period (by phase and product type).
10. Further refinements to the public open space and recreation plan, including more detail regarding the programming of open space and the anticipated costs and sources of revenues for maintaining such open space.
11. Further refinements to the affordable housing plan, including more information about the specific means of financing all major aspects of the affordable housing plan.
12. Description of a comprehensive community benefits program that is consistent with the TIHDI Agreement and addresses, among other things, permanent and construction jobs programs and the location and type of community facilities.
13. Further refinements of how the Developer will provide the Authority adequate assurances that it has the financial wherewithal and commitment to fulfill the financial, indemnification and other performance obligations of the Developer under the Transaction Documents, including, by way of example only and without limitation, guaranties from suitable entities, performance deposits, and/or surety bonds that are appropriate for the guaranteed obligations.
14. A description of Developer's operating agreement by and among its constituent partners, including relative roles, rights and responsibilities.
15. The key terms and conditions of the Sublease.

At the same time the Term Sheet is submitted to the Authority and the TICAB for consideration, but separately and based on separate policy based considerations of the issues with the TIDA Board, staff shall submit to the TIDA Board recommendations regarding relocation assistance programs for existing residents and potential preferences in new housing, if any.

B. Required Contents of Transaction Documents. The Transaction Documents shall address the matters described in Section 1.2(e) of the Agreement.



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item Nos. 17 -/8

September 14, 2005

Subject: Resolution Directing Staff to Create a Draft Request for Qualifications for Design and Standard Internet Service Provider Services for an Independently Hosted Treasure Island Development Authority Website

Resolution Directing Staff to Formulate Criteria Necessary for Selection of an Internet Service Provider and Website Design Contractor for the Purposes of Redesigning the Treasure Island Development Authority Website

Staff Contact/Phone: Peter Summerville
(415) 274-0660

SUMMARY OF PROPOSED ACTION:

This item seeks Board direction on the desired method of selection of a web design contractor and additionally a potential outside Internet Service Provider for the purpose of re-naming and redesigning the Treasure Island Development Authority website to improve ease of public access to the information contained on the site.

BACKGROUND:

Per a request from Board President Cheng, this staff summary provides information and background on the current status of the TIDA website, as well as information pertinent to issues surrounding acquisition of a new domain address for the TIDA website.

This report was prepared in response to President Cheng's concern that access to the TIDA website by the general public is handicapped by the fact that TIDA's domain address is not agency-specific or intuitive enough to enable the general public to navigate to the site via Internet search engines such as Yahoo and Google.

As a result, this report examines the various costs and components to be considered should TIDA wish to change the domain address for its website to an address personalized to the Authority which would enable increased ease of access by the general public to TIDA documents and information.

Attached to the end of this report are brief case-studies of local government agencies that have independent domain addresses in order to provide the Board specific examples of various City agencies that already possess an Agency-specific domain address.

Two separate resolutions are provided for Board consideration of the method by which this planning and solicitation of services should occur; one contemplating a Request for Qualification process and the other contemplating a standard, non public bid process acquisition of services process adhering to the Authority's Purchasing Policies and Procedures.

CURRENT TIDA WEBSITE

Hosting and Website Design

The Treasure Island Development Authority's current Internet Service Provider (ISP), or website "host", is the City's Department of Telecommunication and Information Services (DTIS). DTIS provides TIDA the domain address for TIDA's website (<http://www.sfgov.org/treasureisland>) which allows the general public access to the site from any Internet browser application (MS Internet Explorer, Mozilla, etc.).

As the ISP for the TIDA website, DTIS also provides web-server memory storage space which stores all content posted on the site, including files such as JPG picture files and PDF files, as well as the bandwidth which allows the TIDA site to transmit information, such as development documents, from the site to the public via the Internet. This web server storage space and bandwidth are standard services provided by any ISP in support of hosting a website.

Graphic design of the TIDA site and content updating on the site are tasks both currently performed by TIDA staff on a Microsoft Word-based desktop application (Ecktron Content Management 2000) provided by DTIS, with DTIS staff providing as-needed technical programming and design assistance involving any major restructuring of the website.

TIDA expenditures to DTIS for website services in FY04-05:

1. Domain registration (for "sfgov.org/treasureisland" address): No charge by DTIS
2. Hosting of TIDA site: No charge by DTIS
3. Content management/updating and design of site: No charge by DTIS, only expenditure of TIDA staff time

Current function of TIDA website:

Based on usage data compiled from the beginning of calendar year '05 (Exhibit A) the most visited pages on the TIDA website were the pages featuring special events venues available for rental and public information about Treasure Island. The TIDA website also currently stores master development and environmental remediation documents and information and general public information about current on-Island activities as well as the Island's history.

Anticipated forward-looking function of TIDA website:

With activity increasing on the transfer and redevelopment of the Islands and a renewed focus placed on interim reuse of the on-Island facilities, staff believes looking forward that the 2 main purposes of the TIDA website should be:

- 1.) Provide ease of access to public documents and information regarding the transfer and redevelopment of Treasure and Yerba Buena Island
- 2.) Increase promotion and marketing of TIDA's revenue-generating resources, specifically its events venue, commercial and residential leasing programs.

COMPONENTS OF POTENTIAL NEW WEBSITE

Registration of a domain address:

Because TIDA's domain address is provided by DTIS, its address must conform to DTIS's standard domain-assignment system, which is the www.sfgov.org/departmentsname address common to most City Department's websites. As a result there is not much opportunity provided to Departments for personalization or agency-specific branding of the domain address.

Should an agency wish to have a domain address more unique to its mission, it is the responsibility of that individual agency to purchase and register its unique domain. There is a precedent of several City Departments, including the Arts Commission (www.sfartscommission.com) and the Department of the Environment (www.sfenvironment.com), having already taken this step.

General industry pricing for domain registration:

Domain registration charges generally are priced based on a "sliding-scale" formula whereby the cost per year depends on period of time the domain name is purchased for.

3 year period: Approximately \$75 @\$25 per year

5 year period: Approximately \$100 @ \$20 per year

Internet Service Provider/Site Hosting:

After securing a unique domain name, the Authority can seek an outside host, also known as an Internet Service Provider (ISP), or choose to keep its site hosted by DTIS. This decision is totally at the discretion of the individual agency. Some City departments with their own domain, including the Arts Commission, have their sites hosted on an outside ISP and others, such as the Department of Animal Care and Control (www.petprideday.com) and the Port of San Francisco (www.sfport.com) remain hosted by DTIS. Sites with outside domain registration which still are hosted by DTIS must still conform to the standard design template for DTIS hosted sites (Exhibit B).

As mentioned earlier, an ISP provides server space for content on a website and bandwidth for transmittal of information, including downloading of information, to and from the site. This bandwidth is most important when people are accessing and

downloading files from a website and the larger the bandwidth the faster this information flows. Selection of an outside ISP should take into consideration reliability of service and ability to retain and keep secure the information held on its servers.

General industry pricing for site hosting:

Pricing for an outside ISP varies based on the amount of server space needed and the size of bandwidth provided by the ISP.

Hosting costs range anywhere between \$50 and \$250 a month based on client needs

Design:

A website hosted by DTIS must conform to the standard DTIS web page template (Exhibit B), whereas outside ISP hosting of a site allows for total artistic freedom in the look and feel of the site. Should TIDA decide to switch to an outside host, it would only be natural to reassess the design, navigation and features of the current site in order to maximize the public accessibility, ease of use and navigation and success in achieving the intended goals of the new site.

Options for design of website:

As mentioned earlier, TIDA staff currently performs most design and content management work on the site, and acquisition of a professional website design and content management software (such as Microsoft Dreamweaver) and proper staff training on this program would allow this work to remain in-house should the TIDA site go independent.

The second option for redesign is contracting with a professional design firm who would work with staff on all areas of design and restructuring as well as provide as-needed content updates on the site and technical support should something go wrong. Most web design firms also offer ISP hosting, through a third party, as part of their package of services.

General industry pricing for web design services:

Pricing for a web-design contractor would differ based on the needs of TIDA as a client in relation to a potential design firm, how quickly that design firm is capable of creating and implementing a new site and how labor intensive design of the new site would be for the designer.

It should be emphasized that of the three components of an independent site up for consideration (hosting, domain & design) the design component is the one with the most potential fluctuation of cost. Most of firms charge clients on an hourly basis. Basic discussions with website design professionals indicate that the cost for most contracts are client-specific based on the needs of the client and the time and resources it takes to achieve these goals on their website.

RECOMMENDATION

Staff recommends that a website design contractor be selected through an RFQ process based on the firm or individual's artistic & technological capabilities and familiarity working with governmental agencies such as TIDA. Once this designer is selected, staff can then work with the designer to implement the specific redesign and interactive features of the new site while also incorporating any artistic or content-oriented directives provided by the Authority Board.

EXHIBITS

Exhibit A: TIDA Web page usage data

Exhibit B: DTIS-hosted website design template

Exhibit C: Examples of Local Agencies with Independent Domain Addresses

1 **[Directing Preparation of a Request for Qualification for Web Design and Internet**
2 **Service Provider Services]**
3 **Resolution Directing Staff to Create a Draft Request for Qualifications for Design and**
4 **Standard Internet Service Provider Services for an Independently Hosted Treasure**
5 **Island Development Authority Website.**

6 WHEREAS, Former Naval Station Treasure Island is a military base located on
7 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
8 the United States of America ("the Federal Government"); and,

9 WHEREAS, Treasure Island was selected for closure and disposition by the Base.
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
13 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
14 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
15 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
16 conversion of the Base for the public interest, convenience, welfare and common benefit of
17 the inhabitants of the City and County of San Francisco; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
19 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
20 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
21 Authority as a redevelopment agency under California redevelopment law with authority over
22 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
23 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
24 to administer the public trust for commerce, navigation and fisheries as to such property; and,

25 *////*

1 WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the
2 Authority, acting by and through its Board of Directors (the "Board"), has the power, subject to
3 applicable laws, to enter into agreements or contracts for the procurement of goods and
4 services related to the activities and purposes of the Authority; and,

5 WHEREAS, the Authority is responsible for public dissemination of information relating
6 to its role as the reuse authority for former Naval Station Treasure Island; and

7 WHEREAS, the website of the Authority is a convenient and accessible method of
8 informing the public about the transfer and reuse of former Naval Station Treasure Island; and

9 WHEREAS, the Authority wishes to improve the accessibility to information contained
10 on this website in order to ensure that the public is provided ample opportunity to access this
11 information in a convenient and effective manner; now therefore be it

12 RESOLVED, That the Authority hereby directs staff to prepare a Draft Request for
13 Qualifications for the provision of web site design and Internet Service Provider services in
14 support of the creation of an independently hosted and maintained web site for the Authority;
15 and therefore be it

16 FURTHER RESOLVED, that staff shall return to the Authority for approval of the
17 Request for Qualifications document prior to its issuance to the public for response.

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1 CERTIFICATE OF SECRETARY

2
3 *I hereby certify that I am the duly elected and acting Secretary of the Treasure*
4 *Island Development Authority, a California nonprofit public benefit corporation, and*
5 *that the above Resolution was duly adopted and approved by the Board of Directors of*
6 *the Authority at a properly noticed meeting on September 14, 2005.*

7
8 _____
9 Susan Po-Rufino, Secretary

Filters: This page shows hits on /treasureisland/ (edit remove)

1 ▾ Jan ▾ 2005 ▾ - 8 ▾ Sep ▾ 2005 ▾ > ▾

This view shows the traffic on each page and file of the site. (more)

> Start Again

Calendar

Overview

Graphs of traffic over time

Top days

Top years/months/days

Top pages

Top pages/directories



Page Views

	Page or directory	Page views	Page views bar
1	/treasureisland/Special_Events	61,725	
2	/treasureisland/ (default page)	53,127	
3	/treasureisland/Special_Events/Casa_de_la_Vista	51,714	
4	/treasureisland/Visiting_Treasure_Island	29,940	
5	/treasureisland/Special_Events/Booking	21,928	
6	/treasureisland/Home_Page	16,908	
7	/treasureisland/History	16,324	
8	/treasureisland/Redevelopment	14,756	
9	/treasureisland/Special_Events/Building_One_Lobby	14,402	
10	/treasureisland/Special_Events/Great_Lawn	12,440	
	322 other items	187,096	
	Total	480,360	

more rows | fewer rows | 10 rows | all rows | export table | export all

Options:



Sort: by page views



These statistics were generated using Sawmill 6.4.1,

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bookmark

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Filters: This page shows hits on /treasureisland/ (edit remove)

1 Jan 2005 - 8 Sep 2005 >

This view shows an overview of the statistics. (more...)

> **Start Again**

- Calendar
- Overview
- Graphs of traffic over time
- Top days
- Top years/months/days
- Top pages
- Top pages/directories

These statistics are for the filtered data (see Filters, above). Click any button at the left (including red ones) for further detailed breakdown of this filtered data.

Total page views: 477,615
Total visitors: 54,514
Starting day: 01/Jan/2005
Ending day: 08/Sep/2005
Total days covered: 251
Average page views per day: 1,902
Average visitors per day: 384

These totals depend on the Filters, which are shown at the top of this and every other statistics page. The Filters let you view only part of your data, for instance to zoom in on a particular day, or a particular page. To change the Filters, click the "edit" link in the Filters section above, or use the calendar view.

The list at the left shows the available views of the statistics. All of these views are based on the same data (the data described by the Filters), but each view breaks down the statistics differently. Click any view name to show that view. You can return to this page at any time by clicking "Overview."

Options:

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bookmark

Configuration: sfgov2005

Log Out

Filters: This page shows hits 01/Jan/2004 - 31/Dec/2004, on /treasuresland/ (edit remove)

1 Jan 2004 - 31 Dec 2004 >

This view shows an overview of the statistics. (more...)

> **Start Again**

Calendar

Overview

Graphs of traffic over time

Top days

Top years/months/days

Top pages

Top pages/directories

These statistics are for the filtered data (see Filters, above). Click any button at the left (including red ones) for further detailed breakdown of this filtered data.

Total page views: 851,130
Total visitors: - 0
Starting day: 01/Jan/2004
Ending day: 31/Dec/2004
Total days covered: 366
Average page views per day: 2,325
Average visitors per day: 418

These totals depend on the Filters, which are shown at the top of this and every other statistics page. The Filters let you view only part of your data, for instance to zoom in on a particular day, or a particular page. To change the Filters, click the "edit" link in the Filters section above, or use the calendar view.

The list at the left shows the available views of the statistics. All of these views are based on the same data (the data described by the Filters), but each view breaks down the statistics differently. Click any view name to show that view. You can return to this page at any time by clicking "Overview."

Options:

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bookmark

Configuration: sfgov2004

Log Out

Filters: This page shows hits 01/Jan/2003 - 31/Dec/2003, on /treasureisland/ (edit remove)

1 Jan 2003 - 31 Dec 2003 >

This view shows an overview of the statistics. (more...)

> **Start Again**

Calendar

Overview

Graphs of traffic over time

Top days

Top years/months/days

Top pages

Top pages/directories

*These statistics are for the **filtered** data (see Filters, above). Click any button at the left (including red ones) for further detailed breakdown of this filtered data.*

Total page views:	581,123
Total visitors:	- 0
Starting day:	01/Jan/2003
Ending day:	31/Dec/2003
Total days covered:	365
Average page views per day:	1,592
Average visitors per day:	331

These totals depend on the Filters, which are shown at the top of this and every other statistics page. The Filters let you view only part of your data, for instance to zoom in on a particular day, or a particular page. To change the Filters, click the "edit" link in the Filters section above, or use the calendar view.

The list at the left shows the available views of the statistics. All of these views are based on the same data (the data described by the Filters), but each view breaks down the statistics differently. Click any view name to show that view. You can return to this page at any time by clicking "Overview."

Options:

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bookmark

Configuration: sfgov2004

Log Out

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[About Us](#)

[Contact Us](#)

How Do I?

Related Links

[...more links](#)

San Francisco Municipal Transit Agency (MUNI)

Background: High traffic site with majority of public interaction focused on information for bus schedules, route changes, etc. High bandwidth and consistent content updating necessary.

Hosting: Site hosted by outside Internet Service Provider (ISP), Verios, Inc.

Domain: (www.sfmuni.com) Purchased by MUNI from outside domain registration vendor.

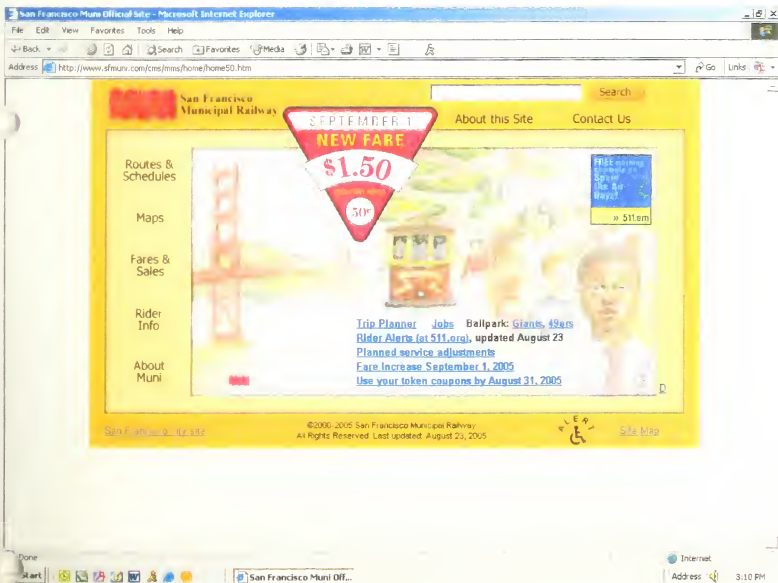
Content Management & Design Services: Day-to-day tasks performed by MUNI staff using design (Microsoft Dreamweaver) and data-management (Macromedia Contribute) software. The background mural art on the MUNI website was created by local artist via commission from MUNI

Costs:

Hosting: Approx. \$250/month

Domain: 10 year term at standard domain registry pricing

Design/Content: Employee time/salary (unavailable)



Water Transit Authority (WTA)

Background: Site provides ferry routes and schedules, WTA and water transit- related publications and public meetings and notice information for WTA Board meetings.

Hosting: Site hosted by outside ISP (Association of Bay Area Governments - ABAG)

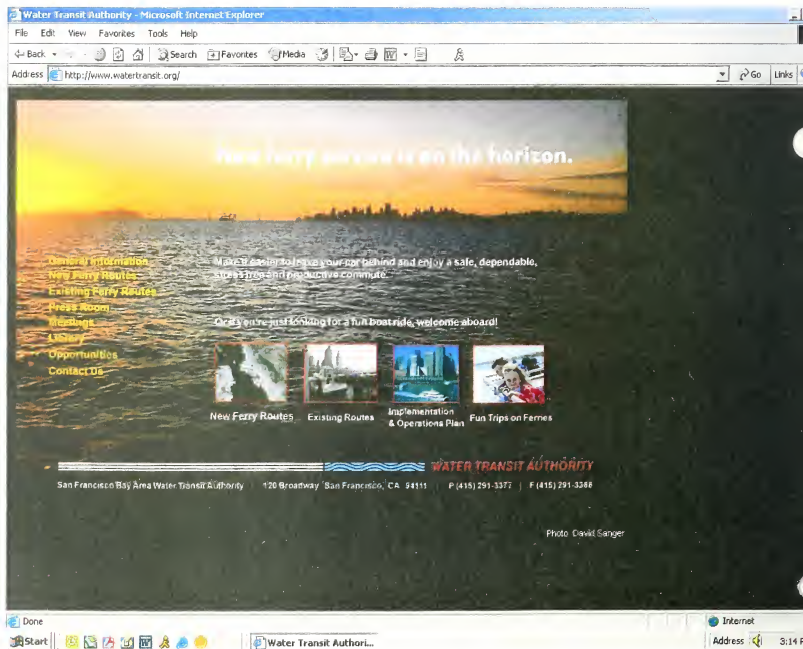
Domain: (www.watertransit.org) Purchased by WTA through ISP (ABAG)

Content Management & Design Services: Site design and content management performed by ABAG with direction from and in coordination with WTA staff.

Costs:

Domain/Hosting: \$60/month plus one-time \$120 start-up fee

Design: \$50/hour



San Francisco Department of the Environment (DOE)

Background: Site provides public with a wide variety of informative services and public information pertaining to the various aspects of the mission of the Department of the Environment. Site also provides public information regarding Commission on the Environment public meetings and DOE press releases and fact sheets.

Domain: (www.sfenvironment.com) Purchased by DOE from outside domain registration vendor (Network Solutions).

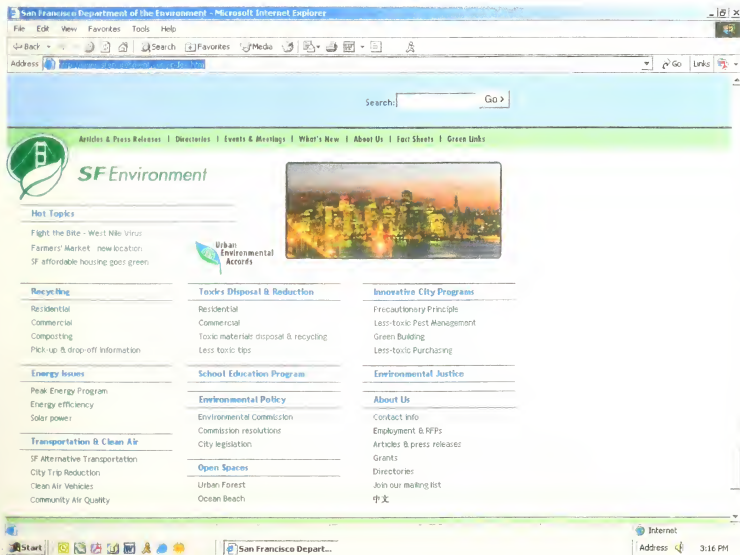
Hosting/Content Management & Design Services: The City's Department of Reproduction and Mail Services provides design and content management services for the DOE website. As part of this contract, Reproduction and Mail Services also coordinates outside hosting for DOE's website through a third-party ISP.

Costs:

Domain: \$75/3 years

Hosting: \$50/month

Design/Content update: Costs vary depending on need



1 **[Directing Formulation of Criteria for Web Design and Internet Service Provider**
2 **Services]**

3 **Resolution Directing Staff to Formulate Criteria Necessary for Selection of an Internet**
4 **Service Provider and Website Design Contractor for the Purposes of Redesigning the**
5 **Treasure Island Development Authority Website.**

6 WHEREAS, Former Naval Station Treasure Island is a military base located on
7 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
8 the United States of America ("the Federal Government"); and,

9 WHEREAS, Treasure Island was selected for closure and disposition by the Base.
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
13 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
14 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
15 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
16 conversion of the Base for the public interest, convenience, welfare and common benefit of
17 the inhabitants of the City and County of San Francisco; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
19 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
20 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
21 Authority as a redevelopment agency under California redevelopment law with authority over
22 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
23 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
24 to administer the public trust for commerce, navigation and fisheries as to such property; and,

25 **////**

1 WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the
2 Authority, acting by and through its Board of Directors (the "Board"), has the power, subject to
3 applicable laws, to enter into agreements or contracts for the procurement of goods and
4 services related to the activities and purposes of the Authority; and,

5 WHEREAS, the Authority is responsible for public dissemination of information relating
6 to its role as the reuse authority for former Naval Station Treasure Island; and

7 WHEREAS, the website of the Authority is a convenient and accessible method of
8 informing the public about the transfer and reuse of former Naval Station Treasure Island; and

9 WHEREAS, the Authority wishes to improve the accessibility to information contained
10 on this website in order to ensure that the public is provided ample opportunity to access this
11 information in a convenient and effective manner; now therefore be it

12 RESOLVED, That the Authority hereby directs staff to prepare criteria necessary for
13 the selection, based on the guidelines set forth in the Authority Purchasing Policy, of a
14 qualified Internet Service Provider and web design contractor; and therefore be it

15 FURTHER RESOLVED, that staff shall provide this prepared criteria to the Authority for
16 review prior to solicitation of quotes for these services.

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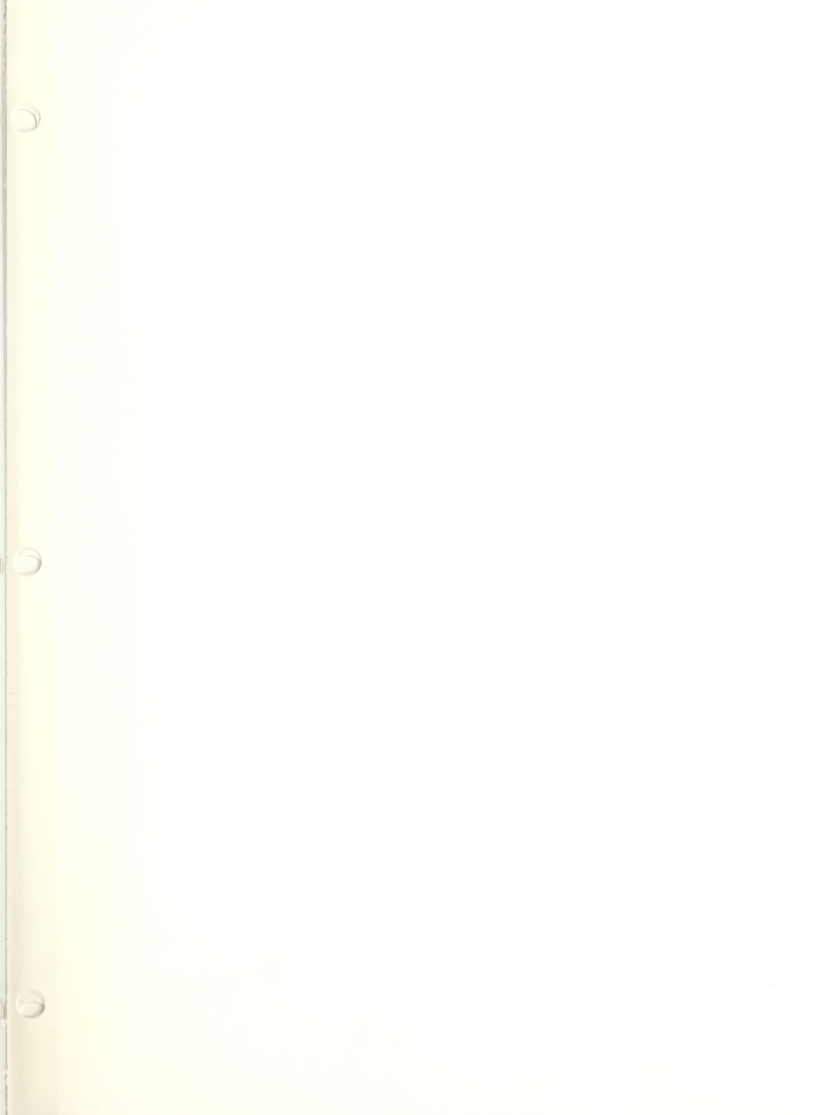
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1 CERTIFICATE OF SECRETARY

2
3 *I hereby certify that I am the duly elected and acting Secretary of the Treasure*
4 *Island Development Authority, a California nonprofit public benefit corporation, and*
5 *that the above Resolution was duly adopted and approved by the Board of Directors of*
6 *the Authority at a properly noticed meeting on September 14, 2005.*

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9 Susan Po-Rufino, Secretary
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TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

**Draft Minutes of Meeting
Treasure Island Development Authority
September 14, 2005**

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

DOCUMENTS DEPT.

OCT - 7 2005

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1. **Call to Order:** 1:42 PM

Roll Call Present: Claudine Cheng (Chair)
Jesse Blout
John Elberling
Matthew Franklin
Marcia Rosen

Excused: Susan Po-Rufino (Vice-Chair)
Jared Blumenfeld
Supervisor Chris Daly

Director Cheng stated a second September meeting has been scheduled for the 21st in case the Board cannot finish the agenda

2. Executive Director's Report

Mr. Tony Hall, TIDA Executive Director, provided the Executive Director's Report.

+ California Dragon Boat Festival was a great success in Clipper Cove, several movies using facilities on the Island for production-related purposes, WYSIWYG has started filming in Building 3.

+ Great White housing units have been winterized and alarmed in anticipation of renting these units in the future

+ US Navy has paid for and completed fencing and weed abatement around Site 12 on Treasure Island

+ Garbage pick-up has been on-going, TIDA partnered with Golden Gate Disposal to collect eight debris boxes worth of garbage on a recent Island clean-up day.

+ Souvenir shack just outside the front gate had fallen into disrepair as a hazard and eyesore, shack was dismantled and disposed of recently with approval of the Navy

- + TIDA participated in City's "e-waste" turn-in drive and turned in over 30 pieces of outdated or broken equipment.
- + Mexico has agreed to terms of loan agreement for Covarrubias murals, murals will be leaving for Mexico the end of September.
- + Supervisor Daly has called for hearings on the status of TIDA as a separate redevelopment agency and hearing on the status of the ENA with the development team
- + John Stewart Company has informed TIDA that it will be receiving \$128,000 from a legal settlement regarding insurance claims related to exposure of hazardous materials, this has been an ongoing legal matter.
- + Navy has issued Finding of Suitability to Transfer for portions of Treasure and Yerba Buena Islands.
- + Provided background on Common Area Maintenance charges and outstanding CAM payments due the Navy. Stated the Navy has issued demands for these charges long before he took office. Provided a letter from Ron Plaseied of the US Navy indicating that these charges have been due for quite some time, that the Navy has agreed to a 30 day extension to allow TIDA to review this matter and that the recent call for payment was not related to comments he made in the New York Times as some Board members have suggested. Stated that it is standard Navy practice to call for these charges whenever there is a rotation in staff, as is the case with Navy staff currently. Stated that he hopes in the future the Board will address questions they may have to him in an appropriate manner and not do so when he is absent from the meetings.

Mr. Hall presented a job description of the TIDA Executive Director position presented to him by Mayor Newsom last year when he discussed the job with him. Stated when appointed to the TIDA position, Mayor Newsom was crystal clear with him about his roles and responsibilities as TIDA Executive Director. Stated he sincerely hopes a line of communication can be established in the future to avoid these miscommunications.

Director Cheng asked what the status was on the Treasure Island Emergency Plan
Mr. Hall stated the draft T.I. Emergency Plan has been submitted to the Office of Emergency Services several times and TIDA staff has yet to hear a response.

Director Elberling stated when the CAM charges issue first came up several years ago it was anticipated that this issue would be resolved when the base was transferred, however the base has not transferred yet and thus the original plan for payment has not been resolved as anticipated several years ago.

Director Rosen asked if there are further meetings planned to resolve these CAM charges
Mr. Hall stated that he and Deputy City Attorney Choy have had several calls with the Navy to establish a reference to the charges they are claiming and determining if the charges are accurate, there is an upcoming conference call scheduled. Requested further discussion of this item be in closed session since it may be a pending legal dispute between the Authority and the Navy. Also requested that Executive Director's Report materials be provided with the agenda packet.

Director Franklin stated that as the employer of record for the Executive Director, the Authority should work on clarification of the role of the Executive Director in relation to the Mayor's

Office of Base Reuse. Stated it is important to parties involved to know who is the point person on negotiations involving the Authority.

Supervisor Daly stated that he is concerned about separate information coming from TIDA staff and the Mayor's Office of Base Reuse regarding the Treasure Island project. Stated he is confused about who is in charge and the roles seem bifurcated. This is a concern of his at the Board level. Some of these issues are being played out today in agenda items 9 and 10 however his concerns are broader to the point of who is in charge of delivering this complex project. Mr. Cohen's role seemed more clear at Hunters Point because there was no TIDA equivalent on that project.

Deputy City Attorney Choy stated the Board of Supervisors should be updated on any actions the Board takes today prior to the hearing called by Supervisor Daly.

3. Report by Mayor's Office of Base Reuse and Development

Mr. Michael Cohen, Director of the Mayor's Office of Base Reuse and Development, stated developer negotiations are focused on the financing plan and transaction structure, further development of commercial development and production of the transportation plan. The CAB has heard the Jobs, Equal Opportunity and Community Support Plan and the TIDA Board should hear this at its next meeting. Navy negotiations focus on the real-estate deal, sharing assumptions and land valuations. Largely have closed the gap in cost-analysis on cleanup. Happy the FOST is moving forward, but the FOST is largely an administrative procedure. The key barriers to conveyance are the cleanup and real estate deals. Continue to work with PUC on the submarine cable as well as work with PUC on WAPA federal power allocations.

Stated that for context regarding the legislation that created TIDA, the important thing to realize is that TIDA as a Board is a separate agency in order to create a more efficient process. How that body is staffed is pure policy up to this body. For most of its history, that body was staffed by a variety of employees from various City departments.

4. Communications

Communications were received in the previous month from 23 individuals and agencies commending Executive Director Hall and TIDA staff, 4 from the United States Navy, 3 regarding the Draft Design for Development Document, and 1 each from the San Francisco Police Department and the John Stewart Company

5. Citizen Advisory Board Report

There was no CAB report provided

6. Ongoing Business by Directors

Director Cheng stated that the Board also received communication from Director Blumenfeld regarding sculpture parks as a concept for public art. Requested that Treasure Island Community Development produce a presentation for the Board on potential sculpture park concepts.

Director Elberling requested that Item #16 be moved to earlier on the agenda

Supervisor Daly stated the second part of his hearing request and his concerns relate to the exclusive negotiations. Cautioned the Board to take care when extending exclusive negotiations for a large scale development project to not lead down the road of a project that would end up being rejected three years later at the Board of Supervisors.

Executive Director Hall stated that items before Item 16 are time sensitive, whereas the ENA item can be continued until November.

Director Cheng motioned that Item 16 on the agenda be heard after Item 8

Director Blout seconded the motion

Item 16 was moved to the front of the regular agenda.

7. General Public Comment

Mr. Howard Strassner, Sierra Club, spoke regarding the need for further study of ferry options and ferry terminal location. Studies show it is much faster to use a bus than a ferry to access Treasure Island. Stated that high speed ferries use ten times the amount of energy per passenger than a bus.

8. Consent Agenda

There was no public comment on the Consent Agenda

Director Elberling motioned for approval of the Consent Agenda

Director Blumenfeld seconded the motion

The Consent Agenda was approved unanimously

16. Extension of Exclusive Negotiating Agreement with Treasure Island Community Development

Mr. Michael Cohen, Mayor's Office of Base Reuse, stated that an extension of this type of ENA is common on a large scale development such as this. Substantial progress has been made to date, TICD has funded initial studies which will guide term sheet efforts, several key term sheet elements have been presented to the Board. Staff has pushed back on TICD on several key elements, also pushing for more detail and thinking on the commercial side. Staff recommends extending the ENA since TICD has worked in good faith to date. This extension is divided into two phases. The first phase calls for Board endorsement of the term sheet by the end of the first 9 month period, if there is not a term sheet the ENA is over. At the same time if the term sheet is completed, the developer then is allowed an additional 24 month period to go ahead with further planning under the ENA. Greater flexibility allowed to recover the City's transaction costs. Public review and CAB meetings have prompted a recognition that TICD needs to spend more time thinking about the commercial portion of the plan. This is one of the core missions of the reuse plan is commercial development. TICD has brought Wilson, Meany and Sullivan into the TICD team, most notably they have designed the commercial aspects of the Ferry Building.

Director Cheng asked if there was a mechanism for monitoring progress during this 30 month term.

Mr. Cohen stated that the term sheet is important, because from there the supplemental work and EIR work begins. So having that term sheet in place is the important measure, term sheet needs Board of Supervisors approval by June next year. The controls are the term sheet and the principle protection is the early termination provision.

Director Cheng asked about the amount of money recoverable from the developer. Mr. Cohen stated that there have been sufficient funds to date in TIDA's budget to pay transaction costs. The expectation is that on a going-forward basis, if needed the money can be recovered. To the extent that the Authority can pay its own way, the less the developer gets an equity rate of return on what would be risk capital. If the policy will of the Board is for the developer to carry those costs, so be it.

Deputy City Attorney Choy stated that in Exhibit B references to the Executive Director's approval were unintentionally omitted. Stated the revised Exhibit B before the Board show these changes adding the Executive Director to the list of reviewers on the chart of milestones.

Director Rosen asked for amendment of the mentioned term sheet schedule to include Board of Supervisors approval.

Mr. Cohen stated this is indeed the intent and that omission will be corrected.

Executive Director Hall stated that Exhibit B was provided without any input from himself or TIDA staff. Stated he recommended to Mr. Cohen that the ENA extension should be for one year with a one year extension, to give 30 months to complete term sheet elements will delay the project further. Stated he is not in favor of extending this ENA for 30 months and would like input on the schedule of performance he asked for several weeks ago.

Mr. Cohen stated that for clarification the developer is being given 9 months to complete the term sheet elements. Second term is 24 months assuming completion of first term. Stated it is his understanding that Mr. Choy forwarded the ENA document to Mr. Hall for review prior to completion.

Director Franklin asked Executive Director Hall if it is his opinion that the term sheet and ENA components can and should be done in one year.

Executive Director Hall stated his point is that the term sheet components should be in place by now. They should be in place in a year and if not the agreement should be cancelled at that point.

Director Franklin asked the City Attorney if TIDA could terminate the ENA if this term sheet has not been finalized by June 30 of next year.

Mr. Choy stated if the milestone is not met, provided no default or force majeure, that would be considered under the ENA an event of default, by this point there would be 30 days to cure any default. If the default is not cured, one of TIDA remedies would be to cancel the ENA.

Executive Director Hall stated he feels the developer should be held to a tight schedule, that doing so is good public policy. The important elements such as transportation and commercial development should be provided in a timely fashion.

Director Franklin asked if he was correct in that the next steps in this ENA extension process after the term sheet is completed are to proceed with EIR documents and steps such as that. Mr. Cohen stated that was correct. Stated the reason the first step is nine months is to provide an aggressive schedule to hold the developers feet to the fire to get through this term sheet process. As a practical matter, to scope an EIR is impossible until some of the big issues are completed and resolved.

Director Franklin asked if anything in the ENA presupposes density or affordable housing outcomes, as Supervisor Daly was concerned about.

Mr. Cohen stated that it absolutely does not, and that CEQA would prohibit that. Stated the term sheet provides the customary and appropriate framework for these issues to be brought to the TIDA Board and Board of Supervisors.

Director Elberling asked if the developer is obligated to present the community benefits plan and transportation plan before the original ENA term extends in November.

Mr. Cohen stated that the Community Benefits plan was presented to the CAB and will be presented to the Board at its next meeting. It is not a specific requirement that the transportation plan be provided in that timeframe.

Director Elberling asked if there was any connection between the transfer of the base from the Navy and the term sheet process.

Mr. Cohen stated it is possible to get all the way to a DDA and not yet have the property, as was the case for Hunters Point shipyard. As a technical matter having the property is not necessary for a term sheet. The EIR approved by the Planning Commission and the Authority Board earlier this year was sufficient to support transfer of the land, if not the overall development. Hope is to have conveyance agreement with the Navy in the spring. General rule is property is not needed until there is a DDA in place and development is ready, obviously TIDA and the developers would like it earlier.

Director Blout commended staff and the developer for having foresight to include Board of Supervisors approval at early stages of the project. Asked what would happen if someone came up with a new aspect of an agreement that hadn't been thought through or articulated in this document.

Mr. Cohen stated this document has to have a certain level of specificity. The principle of early buy-in governs these matters, and evolving plans will be brought to the CAB and the TIDA Board every step of the way.

Director Blout asked what if the Board of Supervisors has concerns about a specific element of the term sheet and ask for revisions. Stated he is concerned this could take some time should new analysis and information gathering be needed. Asked if there are provisions for extensions in time in the next milestones or if this is a developer risk.

Mr. Cohen stated this is a risk the developer takes. Stated that the developer can ask for extensions on the milestones which is up to the Board to grant should it wish.

Executive Director Hall stated he thinks this all can be accomplished with a tighter schedule of performance. This project schedule has moved four different times so far because certain

elements of the term sheet which are solely dependent on the developer have been allowed to take longer than they should have. Stated the developer needs to know this should be done within a year. Stated he would like to be on the record as opposing the ENA extension in the form that is currently before the Board.

Director Cheng asked what kind of internal monitoring of the progress will be done for this process.

Mr. Cohen stated that after term sheet endorsement the long timeline aspect is the EIR, and a two year schedule for an EIR for a project such as Treasure Island can take about two years, even on an aggressive schedule. Updates will be given to the Board on a monthly basis.

Director Rosen stated that if the term sheet completion date coincides with the expiration of the ENA, then there is no guarantee to the developer that should they meet the term sheet deadline a new ENA will be enacted for the EIR and other transactional work. Stated she feels there is a false impression that this ENA extension is presenting a schedule that gives the developers more time than before. The Board still has the authority to "pull the plug" if the developer doesn't make the deadlines. Stated she is supporting the ENA with the amendment including the added Board of Supervisors approval.

Supervisor Daly stated he wants to be clear on what the remedies are if there is a problem come June 2006 and there is not a term sheet. Stated there should be some resolve addressed that if there is not a term sheet then the Authority would be looking to move on.

Mr. Cohen stated as a practical matter the remedy is a "remedy of omission". If an ENA lapses the protection the developer has goes away and the Authority can negotiate with others. The remedy is the ENA terminates, the developer loses that protection and the Authority is unfettered and can go another direction should it wish.

Supervisor Daly asked if it was correct to assume that with Wilson-Meany the type of commercial developer would be similar to the Ferry Building.

Mr. Cohen stated that Wilson-Meany is skilled in different varieties of commercial development. Stated that Lennar has added specific staff members to deal with the Treasure Island project.

Public Comment:

Mr. Dan Linenger, Treasure Island Sailing Center, stated TISC is fully supportive of the ENA renewal with TICD. Happy that TICD has included the Sailing Center in future development plans and happy with the scope of their space in the development plans. TISC looks forward to being a part of the redevelopment of Treasure Island.

Ms. Ruth Gravanis asked the Board please remember to use their microphones so people in the audience can follow along. Stated she supports the ENA extension as well as the amount of time in the draft, however is not prepared to support the document without fully understanding the implications of the document. Appreciative of the inclusion of Board of Supervisors approval in Exhibit B, however urged postponement for further review.

Mr. Jay Wallace, Treasure Island Community Development, thanked the Board for their consideration and stated he looks forward to continuing to work with the Authority, Executive

Director Hall and staff. Stated TICA believes the schedule can be met and they intend to meet this schedule.

Director Rosen motioned for amendment of the motion adding the Board of Supervisors to the endorsement schedule in Exhibit B

Director Franklin seconded the motion for amendment

The motion to amend was approved unanimously

Director Blout motioned for approval, as amended

Director Elberling seconded the motion, as amended

The resolution was approved unanimously

9. TICA as Employer of Record

Executive Director Tony Hall urged staff to support the staff recommendation on this item for the reasons of legal justification, cost savings and union support. TICA is being established as the employer of record in this item, nothing else will change. California legislature created TICA as a single public agency, TICA already pays for these HR services currently provided by the SF Redevelopment Agency. Given that enacting legislation envisions TICA as an independent agency, any plan to keep TICA employees under the Redevelopment Agency indicates an inherent conflict of interest. Cost savings of approximately \$140,000 a year will occur since TICA already provides most of the financial and HR services necessary. An open position has been kept on the TICA staff to hire someone to deal with these HR issues. The IFPTE Local 21 and SEIU Local 790, the unions of which TICA staff are members, both support this move to make TICA the employer of record. Because TICA is such a small agency rolling over the MOU's that govern these employees would be easy. Asked the Board to approve staff recommendations before them today, it is consistent with good public policy and honoring organized labor.

Mr. Frank Gallagher, TICA Deputy Director, stated at the last meeting Director Franklin asked about labor MOU's that currently govern TICA staff and how that roll-over will be accomplished should TICA become employer of record. Provided written communication from Local 21 and Local 790 indicating support for this roll-over. What it would take is TICA employees agreeing that the contract is a good contract and approving it. Stated that Director Elberling asked for a breakdown of services provided to TICA by City departments and outside agencies, stated this information is provided in the staff report and also provided a list of all professional services contracts.

Director Franklin stated that Director Elberling previously asked for 3 comparative budgets based on the 3 various options.

Mr. Gallagher stated a cost analysis was provided a few months ago, TICA would save about \$190,000 keeping all functions in-house, should it look to a non-government-entity to provide these services the cost would be a bit higher.

Director Elberling asked for more information on insurance for personnel litigation and adverse claims.

Director Franklin read several quotations from the July minutes which indicated specific information Directors were looking for from staff.

Executive Director Hall stated that the Board is asking questions that can't be resolved, and if that is the purpose these issues will never be resolved.

Director Franklin stated that, for example, the Mayor's Office of Housing shares a HR staff member with the Mayor's Office of Community Development. There is a certain staffing level that is called for that necessitates a full time HR person. This determination was done off a workload analysis. Stated that staff needs to look into if it is efficient to have part time HR services from a larger body versus doing it themselves. Stated there are other potential offices, such as the Redevelopment Agency, where TIDA staff should perform analysis to determine efficiency in the context of operating on their own versus being part of a larger organization for those purposes to be served in the most efficient manner.

Director Gallagher stated that staff had related to the Board at a previous meeting that Redevelopment Agency staff had indicated to TIDA that its HR needs could be handled on a part-time basis, by their estimation about 20 hours a week. Stated that he personally believes that TIDA's HR needs can be handled part time, this financial analysis has been provided in the past to the Board.

Director Rosen asked Executive Director Hall to clarify his comments regarding a conflict of interest.

Executive Director Hall stated that state law designates TIDA as the sole agency when it comes to the development of Treasure Island, it is set up as an independent redevelopment agency. Director Rosen stated that the Redevelopment Agency agreed to take a role in respects to TIDA at the request of the TIDA Board and the Mayor's Office. Stated when this matter was before the Authority City Attorney Choy rendered advice that there is not a conflict of interest in her being a TIDA Board member as well as the Executive Director of the Redevelopment Agency. Asked Mr. Choy to render for the record whether there is a conflict of interest. Executive Director Hall stated the conflict of interest he was referring to is that TIDA is set up as the agency handling the conversion of Treasure Island.

Deputy City Attorney Choy stated Assembly Bill 699 exempts out officers of the City and County and the Redevelopment Agency from any conflict under state or local laws by virtue of their participation in decisions as a member of the TIDA Board as well as their respective agencies.

Deputy Director Gallagher stated TIDA is tasked with overseeing the redevelopment of Treasure Island. When there is a situation as there is now where the Executive Director works for TIDA directly and his staff answers to the Redevelopment Agency, it defeats the spirit of the independence of the agency as declared in state law.

Director Rosen stated that conflict of interest has a precise legal application, if there is concern about another issue then for clarity a different term should be used.

Deputy City Attorney Choy stated there is no conflict under state or local law, and California Redevelopment Law allows for redevelopment agencies to contact with other local government agencies for staff services.

Director Rosen stated she is recusing herself from this discussion and this vote. Stated that for the record the current Agency Agreement expires on September 30th and the Agency has no authority to pay those employees past September 30th, the Redevelopment Agency meets on September 20th. Stated as the Agency Agreement currently exists, TIDA indemnifies the Redevelopment Agency for any employee claims during the term they are Agency employees doing TIDA work.

Director Cheng requested that staff and Directors express their professional opinions in a courteous manner. Also stated what is being discussed is can TIDA handle being employer of record for the staff. It is not a matter of evaluating staff, feels staff is doing a great job and is highly responsive to the needs of the Board.

Director Blout stated the Board has been seeking a clear, well thought out analysis of the alternatives before them from an operation and implementation standpoint. Asked City Attorney Choy if the state enabling legislation require TIDA to create an independent administrative staff. Deputy City Attorney Choy stated the legislation only authorizes the creation of TIDA as a redevelopment agency under redevelopment law, which means creation of the Authority Board.

Director Blout stated he wanted clarification that there is no legal obligation under AB 699 to create a stand-alone administrative function of TIDA as employer of record. The question then comes what is the best way to effectuate the mission of TIDA. Why the Board is frustrated is they don't feel they have the information to make this decision. Stated he feels that something needs to be done before the end of this meeting to allay fears about the status of TIDA employees going forward. Stated he is looking for thoughts and comments to the Board about how to move forward to get the analysis that is needed.

Executive Director Hall stated he is attempting to craft good public policy through this process. It is not good public policy to waste \$190,000 a year having his employees be under another agency. Stated he is trying to effectively manage an agency while adhering to MOU's and saving money. Stated he suspects the Board wants control of the agencies under another agency.

Director Elberling asked if the current general liability insurance cover personnel exposure or not.

Deputy City Attorney Larry Hecimovich stated the short answer is no it does not. There is an indemnification provision in the Agency Agreement however the scope of that provision he would not chose to argue at this form at this time. As for the larger issue of getting insurance, there is an option to get employment practices liability insurance. His understanding is no answer was found for that. In the normal course of things EPLI insurance occurs outside the union structure.

Director Elberling asked staff to look into how much it will cost TIDA to insure itself. Stated currently there is an ad hoc situation in place at TIDA going back 6 or 7 years. When staff worked for the Mayor's Office all the resources of the City was at TIDA's disposal for matters such as insurance. The problem is TIDA doesn't know where it's going until it knows what type of development deal it is making. TIDA's functions could be at one end of the spectrum or the other based on its roles for redevelopment. Stated he does not feel comfortable making a decision about staff until this role for TIDA is more fleshed out.

Public Comment

Ms. Suzanne Foster, Treasure Island resident, stated that residents big concerns are keeping TIDA staff. Because it is an Island they are isolated in a way from the City and the Islands have unique issues. The staff is an integral part of the community and have worked tirelessly to address day to day issues affecting Island residents.

Ms. Susan DiVico, Treasure Island resident, asked the Board to consider its decisions carefully. The staff has provided a strong stewardship on the Island. Director Hall and staff have been tremendous advocates for the Island community, have kept the school open and have improved the residents safety and quality of life.

Mr. Katsame Kopia, Treasure Island resident, endorsed the current staff and Executive Director Hall. Urged the Board to consider keeping staff since it adds to residents comfort zone.

Ms. Melanie Williams, Treasure Island resident, thanked the Board for their time working on Treasure Island. Stated she has lived on the Island for 6 years. Appreciates the work TIDA staff did to keep the school open and continues to do to keep the community strong. Urged the Board to keep Treasure Island strong.

Ms. Emily Rappaport, co-chair of SF Islands Community Association, stated the discussion of staff issues is an important issue for the community. Stated that personnel policy issues should reflect what is best for TIDA staff. Seems to her that many issues have to be addressed but urged the Board to keep staff together and keep them on the Island.

Ms. Becky Richardson, Treasure Island resident, stated that TIDA staff is on the Island every day and what worries residents is that other City agencies may not know Treasure Island that well and that can affect responsiveness to residents. Stated that Treasure Island is a family for many and urged the Board to keep the current staffing configuration in place.

Mr. Desmond Crisis, Treasure Island resident, stated that he hopes the Board recognizes that Treasure Island is a unique situation and TID staff are the greatest allies that residents have. Stated these considerations look like outsourcing, similar to what the Police Department has done in saving money by closing the Treasure Island substation and rotating officers from Southern Station who are not familiar with the Island.

Mr. James Bryant, SEIU Local 790, encouraged the Board to move to establish the Authority as an employer of record. Stated there have to be some decisions made. Encouraged the Board to

move this matter for the benefit of the employees. Will make every attempt to have the contract worked out, asked the Board to remember the employees in this whole process.

Director Elberling asked what the difference is from the employees point of view as to whom their employer is.

Mr. Bryant stated that over time the employees start to lose in the process as limited-term employees as they are not accumulating permanent-status time in a position.

Director Elberling asked if it would then make sense for the employees to stay in the Redevelopment Agency.

Mr. Bryant stated that someone from the Agency could then bump a TIDA employee if TIDA employees were brought in as full time Agency employees.

Mr. Richard Gazowsky, Christian WYSIWYG Filmworks, stated they are the leaser of the largest building on Treasure Island. Stated he realizes that it is important to free up leaders to lead. Stated that it is comparable to having a spirited horse and allowing it to be free to run. Stated that the Board has a spirited Executive Director in Tony Hall who is an effective and concise leader. Encouraged the Board to let Tony Hall run free, like a spirited horse, stated they will not regret it.

Director Elberling motioned to continue Item 9 to the meeting of September 21st.

Director Blout seconded the motion

The Board voted 5 – 0 with one abstention to continue Item 9 to the meeting of the 21st.

Ayes: Cheng, Po-Rufino, Blout, Elberling, Franklin

Noes: None

Abstaining: Rosen

10. Extension of Agency Agreement with San Francisco Redevelopment Authority

Director Franklin asked if this extension could have a longer term than the 3 months contemplated that could still be terminated before the end of the term if needed.

Deputy City Attorney Choy stated that this type of arrangement can be worked out.

Executive Director Hall stated he would prefer to leave the extension as a three month term for the sake of the employees working under temporary status.

There was no public comment on this item.

Director Franklin motioned to extend the term of the Agency Agreement extension to a six month term

Director Blout seconded the motion to extend the term

The motion for extension was approved 5 – 0 with one abstention

Ayes: Cheng, Po-Rufino, Blout, Elberling, Franklin

Noes: None

Abstaining: Rosen

Director Elberling motioned for approval of the item, as amended

Director Blout seconded the motion, as amended

The amended item was approved 5 – 0 with one abstention

Ayes: Cheng, Po-Rufino, Blout, Elberling, Franklin

Noes: None

Abstaining: Rosen

11. Director Elberling motioned for continuation of all remaining items on the agenda

Director Blout seconded the motion

Items 11, 12, 13, 14, 15, 17 and 18 were continued to the September 21, 2005 meeting

19. Ongoing Business by Directors

Director Cheng stated a letter had recently been received by the TIDA Board from the Office of the Controller that she would like to give Executive Director Hall an opportunity to respond to.

Executive Director Hall stated that an anonymous person has made accusations trying to establish untrue criteria about TIDA's practices. Stated that TIDA's financial practices and accounts are fully in order and available to anyone at anytime, since he has joined the Authority the financial practices have been improved, including the implementation of over two dozen recommendations which have been satisfied. Stated that the letter alleges TIDA has "removed funds from under City and County of San Francisco control". Stated these funds are not revenue but reflect security deposits and rent credits received as a result of commercial leasing and will be refunded to these tenants upon completion of their leases. This money includes \$87,500 received from Rent Productions, also includes a \$35,000 deposit from Voice of Pentecost/WYSIWYG and \$50,000 received from the TI Sailing Center for improvements made. All of these funds have been and remain firmly under the administration of the office of the Controller and the Treasurer, withdrawal of these funds cannot be made without the approval of the Office of the Treasurer.

Mr. Hall stated the letter also alleges that TIDA "is slowly moving away from the City's administrative infrastructure", and this is false. No administrative functions have changed at Treasure Island, the only administrative change was placing TIDA employees under the Redevelopment Agency. Stated the letter also alleges that TIDA has opened up CD's without the Treasurer's knowledge. In fact TIDA's practice as defined and approved by the TIDA Board is to set aside moneys received from subtenants for security deposits and rent credits, these funds have been placed in an account which cannot be accessed without the Treasurer's approval. Stated the letter also alleges that TIDA's cash balances have dropped by \$500,000 in the last two months. Stated this is true because work orders to City Departments have been paid promptly and in full, unlike in prior years, and the Controller's ledger have accurately reflected these payments. Stated that finally, the letter alleges that TIDA's financial activities are not recorded with the City. This is false, TIDA is audited annually by the City and the funds are accurately accounted for in TIDA's records.

Director Elberling asked if there would be a written response to the Controller.

Mr. Hall stated yes there would be a written response.

20. Adjourn

The meeting was adjourned at 5:05 PM

TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
BLDG ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



PLEASE NOTE CHANGE OF LOCATION

**TREASURE ISLAND DEVELOPMENT AUTHORITY
SPECIAL MEETING AGENDA**

September 21, 2005 1:00 P.M.

DOCUMENTS DEPT.

SEP 16 2005

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PUBLIC LIBRARY

Room 416, City Hall
1 Dr. Carlton B. Goodlett Place

Gavin Newsom, Mayor

DIRECTORS

Claudine Cheng, Chair
Susan Po-Rufino, Vice-Chair
Jesse Blout
Jared Blumenfeld

John Elberling
Matthew Franklin
Marcia Rosen
Supervisor Chris Daly (*ex-officio*)

Tony Hall, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Report by the Executive Director (*Discussion Item*)
3. Communications (*Discussion Item*)
4. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #4), Public Comment will be held during each item on the agenda.***
5. Resolution Authorizing the Executive Director of the Treasure Island Development Authority to Take All Actions Necessary to (1) Establish the Authority as the Employer of Record of All Authority Staff, (2) Negotiate a Short-Term Extension of the Agency Agreement with the San Francisco Redevelopment Agency on a Month-To-Month Basis Not to Exceed Three Months, and (3) Effectuate a Roll-Over of Existing Authority

Staff from the San Francisco Redevelopment Agency to Direct Employment at the Authority (*Action Item*)

6. General Procedures and Standards for the Performance Evaluation of the TIDA Executive Director (*Discussion and possible Action Item*)
7. Performance Evaluation of TIDA's Executive Director, Mr. Tony Hall. (*Action Item*)
 - a. Public comment on all matters pertaining to this item.
 - b. Vote on whether to hold a Closed Session to consider the performance evaluation of TIDA's Executive Director, Mr. Tony Hall, pursuant to California Government Code sec. 54957(b) and San Francisco Administrative Code sec. 67.10(b). (*Action Item*)
 - c. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: TIDA's Executive Director, Mr. Tony Hall. (*Action Item*)
 - d. Reconvene in Open Session
 - i. Vote to elect whether to disclose any or all discussions held in Closed Session, pursuant to San Francisco Administrative Code sec. 67.12(a). (*Action Item*)
 - ii. Disclosure of actions taken in Closed Session required under the Brown Act and/or Sunshine Ordinance, pursuant to California Government Code sec. 54957.1(a)(5) and San Francisco Administrative Code sec. 67.12(b)(4).
8. Annual Salary Review of TIDA Executive Director, Mr. Tony Hall. (*Action Item*)
9. Making Emergency Findings, Ratifying Executive Director's 30-day Extension of Refuse Collection Contract, and Authorizing an Additional Extension of Such Contract with Golden Gate Disposal & Recycling Company to January 31, 2006 (*Action Item*)
10. Authorizing the Disbursement of EDA Grant and Other Funds Totaling an Amount Not to Exceed \$337,500.00 to the Department of Public Works of the City and County of San Francisco to Pay for Geotechnical and Other Civil and Structural Engineering Services to Study the Design and Seismic Strengthening of the Treasure Island Causeway (*Action Item*)
11. Resolution Directing Staff to Create a Draft Request for Qualifications for Design and Standard Internet Service Provider Services for an Independently Hosted Treasure Island Development Authority Website (*Action Item*)
12. Resolution Directing Staff to Formulate Criteria Necessary for Selection of an Internet Service Provider and Website Design Contractor for the Purposes of Redesigning the Treasure Island Development Authority Website (*Action Item*)
13. Discussion of Future Agenda Items by Directors (*Discussion Item*)

14. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

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Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

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(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact Adele Destro by mail to Interim Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Treasure Island /Yerba Buena Island
Citizens Advisory Board

Summary of Comments

on the first edition draft of Design for Development, Design Principles
(developed by Urban Design and Planning & Development Subcommittee on 9/6/05 and
discussed and agreed to by CAB on 9/13/05)

1. p.9, General Development Objectives, #7 – *“Create an urban building scale and relationship between development and TI streets and open spaces that enhances walkability, creates compact development and maximizes the use of transit.”*
Recommend that this be more specific to state that the retail will be clustered around the transit hub so that development is truly walkable. Provide accessibility for disabled (do curb cuts now) for compliance with ADA.
2. p.9, #11 – *“Integrate appropriate levels of on- and off-street parking with the overall development, meeting functional requirements while effectively screening off-street parking and loading from public view. These measures should be directed at mitigating the dominance of private automobiles on the island.”*
Wording of this item implies mitigating (by screening cars) and allows the dominance of private automobiles. Change “dominance” to “impacts”.
3. p.9 – Add stated objective to “promote the diversity and integration of socio-economic mix” both for design and for programming.
4. General Comment -- Request that a summary of the plan be shown more concisely (single map) and in matrix format. Matrix should include averages for commercial, retail, residential and open space acreages. Also show a comparable example neighborhood to illustrate the proposed mix in the neighborhood.
5. p.15 B., last sentence, 2nd paragraph – *“The urban design strategies place high priority on building form and seek to encourage an appropriate balance among massing, height, scale, and other design features.”* Add “seismic risk and life safety” to list. Also look at long-term operating costs (high-rise vs. low-rise, type of equipment, fire, police, etc.). Make it a sustainable design.
6. p.18, last bullet– *“Seek dialogue with the facility to optimize integration, encourage landscape and streetscape enhancements and anticipate potential future evolution.”* Dialogue with Job Corps should start now. Change “seek dialogue” to “initiate dialogue”.
7. p.30, last paragraph – *“...On-street parking not only provides parking for visitors, it also serves as a traffic calming device as passing vehicles slow down for other vehicles entering and exiting the driving lanes from the parking lane. The pedestrian experiences can also benefit from on-street parking, as the parking lane provides a buffer from the driving cars...”* Add more realistic traffic calming devices than parking on both sides of street. Also on figures on p. 31 & p. 33, recommend minimizing streets, and minimizing on-street parking (not use 100% of sidewalk frontage for on-street parking),and consider “point access” to the

shoreline versus "linear access" parallel to the shoreline. There may be options to create a buffer between the public space and private space other than with roadways that will still satisfy State Lands Commission (staff) concerns and comments. The commercial and special uses show additional parking, and this does not show up on the parking plan.

8. p. 37, Public Space, Transit, and Parking, 5th bullet – *"An approach to design that considers the public parking structure an amenity compatible with its setting on the arrival boulevard of Treasure Island..."* Rephrase such that a "parking structure" is not an amenity. Are 500 spaces needed? Consider garage instead of on-street parking.
9. p. 37, 8th bullet, last sentence – *"...Provide unbundled parking opportunities – the securing of parking spaces separate from the purchase or rental of residential units."* Clarify what unbundled means – that is, one off-street parking space per unit becoming separated from residential unit. Suggest for-pay on-street parking to discourage use and minimize on-street parking. Developer noted that there will be some free parking – e.g., 0.6 spaces/slip at the Marina mandated by Dept of Boating and Waterways, accessible spaces, etc. p.30, same clarification is needed. Need to include parking for marina, recreation, and specifically for the Treasure Island Sailing Center.

Treasure Island /Yerba Buena Island
Citizens Advisory Board

Summary of Comments
on the first edition draft of Design for Development, Design Principles
(developed by Urban Design and Planning & Development Subcommittee on 7/28/05 and
discussed and agreed to by CAB on 8/2/05)

1. pp 5-7 Add dates to photos.
2. (p9, p27, etc.) The Transportation Management Plan should be referenced throughout the document and also need to consider interface between pedestrians and bicycles.
3. p15 Should say: *YBI is unencumbered with Tidelands Trust.*
4. p18 Comments should also include *Bldgs. 2 and 3.*
5. p24 Require a variety of heights to encourage a recognizable and definable skyline.
6. Make sure life safety issues are addressed.
7. Continue programming to limit vehicle use (including the greater use of unbundling parking).
8. p30 Consider and include pedestrian safety in parking plans (consider limiting parking before intersections).
9. p47 Assure that wetlands design incorporate appropriate vector control measures.

TIHDI

Treasure Island Homeless Development Initiative



September 6, 2005

Tony Hall, Executive Director
Treasure Island Development Authority
410 Palm Ave., Bldg. 1
San Francisco, CA 94130

Dear Tony:

We are writing this letter to affirm & acknowledge the positive and productive working relationship between TIHDI and you and your staff at TIDA. Your staff has been a pleasure to work with and as you know, it is necessary for TIHDI & TIDA to work closely on many different fronts: fiscal & contract management, sublease management, community services, employment opportunities and community development issues -- in order to be effective in the civilian reuse of Treasure Island. Your staff has been accessible and responsive on all of these issues and we appreciate their work and genuine commitment to making TI a great place for all San Franciscans.

We have truly created good, effective working relationships between our staffs which has lead to positive results. TIHDI continues to appreciate the inclusive and supportive tone that has been established.

Sincerely,


Sherry Williams
Executive Director



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September 6, 2005

Claudine Cheng
President & Chair
Treasure Island Development Authority
410 Avenue of the Palms, Building 1, 2nd Floor
San Francisco, CA 94130



Subject: Kudos

Dear Claudine,

In the interest of quashing the adage, "good news travels slowly" I've made it a point from time to time to put pen to paper as it were and offer up some kudos for jobs well done. When Tony Hall and his staff assumed new duties on the Island last year they were confronted by a steep learning curve. They set about getting to know the history of each neighborhood and building, plus the physical infrastructure. Then there was the administrative infrastructure of leases, subleases, and contractor services and the like, which they promptly tackled. Finally, the team has always been accessible when problems have arisen needing quick resolution. The purpose of this letter is simply to say that working with Tony and his staff - Marc McDonald, Frank Gallagher, and John Farrell - has been both a pleasure and positive professional experience. I'd be remiss if I didn't also remember the ancien regime who continue to do good work, more specifically Lori Mazzola and Frishtah Affi.

Best Regards,

John K. Stewart
Chairman

Cc: Tony Hall

Island Creative
Management LLC

9/1/05



To: Treasure Island Development Authority, Board of Directors

Re: TIDA Staff Support

Directors.

This letter serves to recognize a small but largely unrecognized group of individuals who are doing an excellent job here on Treasure Island. The TIDA staff headed by Executive Director Tony Hall has and continues to work tirelessly to improve the quality of life for the community at large here on the island. There is a noticeable energized feeling of enthusiasm and vitality that now envelopes the staff- a feeling that has been largely absent for years.

Leadership and the qualities thereof, in key positions, is ultimately responsible for a cohesive, unified and dedicated staff. The entire TIDA staff should be recognized for their hard work and professionalism.

Sincerely,

Sincerely,

Edward G. Abinsay

Edward G. Abinsay
Managing Partner

TIDA Board of Directors
410 Avenue of the Palms
San Francisco, Ca 94130

I just wanted to write a letter of support and gratitude for Executive Director Hall and the TIDA Staff. As you know, our program the Glide Youth Build Training Center is home to over forty of our students. This program helps young adults move from poverty to economic independence and fosters understanding between neighborhoods that have been feuding for years.

If you have any further questions about the quality performance of Tony Hall and his staff, please do not hesitate to give me a call at (415)674-6003.


Janice Mirikitani
Executive Director

Treasure Island Community Development, LLC

One Ferry Building, Suite 350
San Francisco, CA 94111
T: 415-403-0280/F: 415-955-1101

September 7, 2005



Via Hand Delivery

Claudine Cheng, Chairperson
And Fellow Commissioners
Treasure Island Development Authority
Building One, 2nd Floor
410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130

Dear Ms. Cheng:

We would like to take this opportunity to acknowledge the efforts of Executive Director Tony Hall, his staff, and the Mayor's Office of Base Closure and Economic Development for their hard work and success over the last year. During the last year, significant progress has been made towards the redevelopment of Treasure Island--the State Lands legislation was signed into law, the Environmental Impact Report for the transfer of TI and YBI was certified, the FOST for both TI and YBI have been issued, productive meetings have occurred with the CAB and the public, and several meaningful discussions have taken place with the U.S. Navy on the final transfer of TY and YBI. All of these events have been essential to the success of the development of Treasure Island and all were the product of the collective efforts of the TIDA Executive Director and staff and the Mayor's Office.

On behalf of Treasure Island Community Development, let me state that we look forward to working with you and your fellow Commissioners, TIDA Executive Director Tony Hall and his staff, the Mayor's Office of Base Closure and Economic Development, the TI/YBI Citizens Advisory Board and the public in the years ahead as we continue to work together on making the development of Treasure Island an important piece of the future of San Francisco.

Very truly yours,


Jay Wallace

Project Manager

Treasure Island Job Corps Center

65 H Avenue, Bldg. 442
Treasure Island
San Francisco, California 94130

phone: 415.277.2400
fax: 415.705.1776

TIDA Board of Directors
410 Avenue of the Palms
San Francisco, CA 94130



September 7, 2005

Dear President Cheng,

As members of the Island Partners, this letter is being written in support of Executive Director Tony Hall and the TIDA Staff. The Treasure Island Job Corps Center, operated by ResCare Inc. for the Department of Labor, offers qualifying young adults vocational & academic training in a supportive and safe environment, completely free of charge. We train a maximum of 800 students, 90% are residents, year round.

Our nearly 300 staff facilitates and maintains our daily operations twenty-four hours a day seven days a week. We appreciate the TIDA staff's responsiveness to our concerns and constant support to our trainees and program. Treasure Island Job Corps participates not only in the Island Partners meetings, but also in the monthly community meetings as well as Island events. We provide the only evening dining on the island as well as lunch that is open to the public. We have also extended our cafeteria services to Swords-to-Plowshares participants daily.

We appreciate our ongoing relationship with Tony Hall and the TIDA staff, we look forward to future endeavors.

Best Regards,

Melanie Radford
Center Director
Treasure Island Job Corps Center

Building Lives • Reaching Potential

www.rescare.com

Operated by ResCare for the Employment & Training Administration - U.S. Department of Labor
An Equal Opportunity Employer

Treasure Island Gym
Catholic Charities CYO

Tel 415 765 9027 Fax 415 765 9040
402 Avenue "I"
Treasure Island
San Francisco, CA 94130



To Whom It May Concern:

I would like to take time out to thank Tony Hall and his staff for all the work they have done for and with our Treasure Island Gym/Catholic Charities CYO Program.

This was the first full year of programming for the TI Gym and we could not have done the things we did this year with out the assistance we received from Tony Hall and his staff.

This year we were able hold a Youth Basketball league, Adult basketball league, Table Tennis Tournament, a Youth March Madness Basketball Skill Contest and we were able to take 20 kids out to a Giants game, thanks in large parts to the contacts that Tony and his staff provided.

So I would like to say once again thank you to Tony Hall and his staff for all the help that they gave us this year. In a time when agencies are doing "JUST ENOUGH" to help out, it is really special to be working with a group of people who take the extra step to do what people really want and need.

A handwritten signature in dark ink, appearing to read "Ronald D. Jackson".

Ron Jackson
Recreation Director
Treasure Island Gym/ Catholic Charities CYO



TREASURE ISLAND SAILING CENTER
Launching Point for New Horizons

September 7, 2005

Commissioners
Treasure Island Development Authority
400 Avenue of the Palms
San Francisco, Ca 94130



Dear Commissioners and Members of the Treasure Island Development Authority,

On behalf of the Treasure Island Sailing Center Foundation, I would like to thank you for your support this past year. The Treasure Island Sailing Center had an amazing year thus far, with over 200 youth in various spring programs, and 850 youth in our summer program. The children represent various communities in San Francisco. This large increase in programs and numbers of children served is very much due to your support of the increased space allowance, your support of our program at our main event -the Sailors Bash, and your assistance in coordinating us with other programs on the island who can utilize our services. Your support is certainly well noticed with our primary financial supporters, which was evident in the increase in grants and scholarship aid after the Sailors Bash. We have even been able to start a TISC Youth Racing Team which is bringing kids all over the bay area to race sailboats, meet other children and have experiences beyond their neighborhood.

It has been a pleasure to work with you all, and I thank you for your support of this project. We look forward to continuing to improve our services for the community with your support.

Sincerely,


Carisa Harris

President

Treasure Island Sailing Center Foundation
415.640.0563
Carisa.harris@tisailing.org

PIER 12, CLIPPER COVE

3712 PALMCA STREET, YUBA CITY
SAN FRANCISCO CA 94131



September 12, 2005

Treasure Island Development Authority
410 Avenue of the Palms
San Francisco, Ca 94130



Dear Board of Directors:

As the Police Sergeant of Treasure Island Substation I wanted to acknowledge Tony Hall and his staff for their efforts and dedication to making Treasure Island a better and safer place for those who live and work here. I look forward to our continued partnership as we near redevelopment.

Sincerely,

Sergeant Michael Gallegos
Michael J. Gallegos

JOANNE HAYES-WHITE
CHIEF OF DEPARTMENT



GAVIN NEWSOM
MAYOR

GARY P. MASSETANI
Deputy Chief of Administration

SAN FRANCISCO FIRE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

September 7, 2005

Honorable Claudine Cheng
President/Chair
Treasure Island Development Authority
410 Avenue of Palms
Treasure Island
San Francisco, CA 94130



Dear Ms. Cheng:

On behalf of Chief of Department Joanne Hayes-White and the San Francisco Fire Department, I would like to acknowledge Executive Director Tony Hall, Chief Financial Officer John Farrell, and Facilities Manager Marc McDonald

Under the direction of Mr. Tony Hall, Mr. Farrell and Mr. McDonald worked in collaboration with our Finance Division to develop the Lease Agreement for the Training Facility and the fire service work order between our agencies. It was our pleasure to work with such knowledgeable and professional employees.

You are very fortunate to have such dedicated employees on your staff. I look forward to continuing to work collaboratively to better serve the citizenry of Treasure Island and the City and County of San Francisco proper.

Sincerely,

Gary Massetani
Deputy Chief of Administration

Cc: Mr. Tony Hall, Executive Director

September 8, 2005

T.I.D.A. Board
410 Avenue of the Palms
San Francisco, CA 94130



T.I.D.A. Board:

As a two-year resident of Treasure Island, I feel compelled to write a letter of strong support for the Treasure Island Development Authority (T.I.D.A.). The members of this organization have become an invaluable resource, as well as an integral part of this community. Because members are based on the island and are very involved with all of the residents here, they have a unique understanding of the needs and issues of our eclectic community.

For example, dog owners in our community have requested a designated dog park on the island. Working through T.I.D.A. staff, we were able to identify an appropriate location and are working out the details to establish a designated area for residents' animals to exercise safely!

The T.I.D.A. staff has worked tirelessly with both the police and fire departments to improve safety, security, and response time on the island. T.I.D.A. staff also are working with Safeway.com to set up a "no fee" delivery service in response to resident's requests for improved access to food and sundries. This is a *critical issue* to residents who do not have cars, especially the island's many low-income residents.

T.I.D.A. staff are never more than a phone call away, even on nights and weekends. Members attend and contribute to the community meetings and get involved...even to the extent of picking up garbage during their lunch hours.

I cannot praise and thank all of the T.I.D.A. staff enough for their hard work in support of Treasure Island residents.

Sincerely,



Suzanne Foster

1108 Halyburton Court

[illegible]

First of all I wanted to thank Tony Hall and his staff for the wonderful job they have done in improving Treasure Island. Yes, we have noticed the changes and we are very pleased.

Lorraine Damante

ENTERED
SEP 2005
TREASURE ISLAND
DEVELOPMENT
AUTHORITY

For the past two and a half years I have lived on Treasure Island. The views are incredible and it is a good place to live. I am indebted to the staff at Treasure Island for not only improving the quality of life on the island, but for being there when we have needed them. They have done a great job and need to be commended.

Sister O'Connell



Treasure Island Development Authority
410 Avenue of the Palms
San Francisco, Ca 94130

Dear T.I.D.A.:

As a resident of Treasure Island for five years, I had my first child here on Treasure Island. This place is my home and I care very much for this community. Through my difficult times with substance abuse I have stay cleaned for eight and a half years. I have seen Treasure Island at the worst of times and I am now seeing Treasure Island grow to become a beautiful island with different communities coming together as one. I am thankful to live on this island raising my three children and I am thankful for the responsiveness which TIDA has shown under the leadership of Tony Hall.

God Bless

Melani Williams

Melanie Williams
1244 G Northpoint Dr.

A circular ink stamp from the Treasure Island Development Authority. The outer ring contains the number "12345678901234567890". In the center, it reads "ENTERED" at the top, followed by "SEP 2005" with a small logo to its left, and "TREASURE ISLAND DEVELOPMENT AUTHORITY" at the bottom.

Treasure Island is my home and I am happy to be a part of this community. I have seen the drastic changes which have happened as result of the leadership of Tony Hall and the “new” TIDA staff.

Best,

Rebecca Richardson

Rebecca Richardson

Donald W. Hughes
1217F Mariner Drive
San Francisco, CA 94155



September 8, 2005

Board of Directors
410 Avenue of the Palms, Building 1, 2nd Floor
San Francisco CA 94130

To Whom It May Concern:

The purpose of this letter is to commend the staff of the of the Treasure Island Development Authority for their continuing and effective efforts to improve the quality of life for the residents of the Islands and to make the Islands a more enjoyable place for both the resident and for the many visitors, from near and far, who come to the Islands each day. Under the leadership of Tony Hall, and the knowledgeable and highly professional staff he has assembled on the Island, there have been demonstrable improvements in the appearance of the Islands and infrastructure during the last year. It only takes a short walk around the Islands to see the results of the neglect of prior TIDA administrations and what that neglect has done to the Islands, especially in the residential and common areas.

In the past, when residents brought up issues related to maintenance in and around the residential and common areas, little if anything was done to correct problems in a timely manner. Trash, old furniture and other items would lay uncollected for months at a time. Other issues related to safety and security on the Islands met with similar responses. Now, these issues are being addressed by TIDA, and in turn by other entities on the Islands, because TIDA is exerting the management required to accomplish the job.

The Hall administration, and especially Mr. D. J. Canepa, has been identifying and addressing several other issues of concern to residents in a very efficient and effective manner. Currently, Mr. Canepa is working with the San Francisco Fire Department to negotiate the return of the EMS unit to the Islands. This EMS unit was removed from the Islands with no notification to TIDA or to the residents. Now, in an emergency situation, EMS services must travel to the Islands from some point within the City, determined by the availability of a unit when the call is taken. Hopefully, the unit won't be halfway across town, during commute hours, when emergency services are needed.

In addition, Mr. Canepa is addressing several additional issues directly related to the safety and security of the residents, commercial entities and the physical plant on the Islands. One such issue is the deep cut in the SFPD presence on the Islands and the inherent danger of this situation presents. Quite often there is only a single officer on patrol on the Islands and in emergency situations, that officer must call for backup from the City. The delay of prompt backup in such situations is not only dangerous for the officer, but for the residents and property he or she is trying to protect.

This issue may, however, be a moot point when one considers that the 911-dispatch policy is not to accept an emergency call from the Islands unless the caller knows the address of the incident. The current situation on the Islands, such as missing buildings, missing building numbers, missing street signs, duplicate street names, the layout of the Islands and the current dispatch policy, is a disaster waiting to happen. Mr. Canepa is currently addressing this problem with multiple departments within city government.

Having an efficient and effective organization such as TIDA present on the Islands to interact with the residents, on a daily basis, is essential to the success of the Islands today and to the future growth and development of the Islands. It is also essential that the current residents and commercial entities on the Islands see the positive effect of this interaction, and they have. The residents I've talked to are especially pleased to see a positive and prompt response to their concerns. They may not get the exact response they had hoped for, but they feel that their issues were properly addressed.

Sincerely,

Donald W. Hughes



DEPARTMENT OF THE NAVY
BASE REALIGNMENT AND CLOSURE
PROGRAM MANAGEMENT OFFICE WEST
1230 COLUMBIA STREET, SUITE 1100
SAN DIEGO, CA 92101-8571

5090.4
Ser BPMP.O.PM/
September 7, 2005

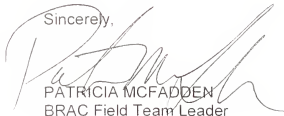
Treasure Island Development Authority (TIDA)
410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130



Dear TIDA Board of Directors:

The staff of TIDA has a large and challenging job of maintaining the former Naval Station Treasure Island under the Cooperative Agreement (CA) with the Navy. The CA outlines the many requirements for the management of the former Navy base, including security, fire protection, and management of facilities and utilities. TIDA performs these tasks in addition to their responsibilities to facilitate current and future reuse with professionalism and dedication. We appreciate TIDA's work at Treasure Island and the CA support provided by SF Department of Public Works and the Public Utilities Commission.

Sincerely,


PATRICIA MCFADDEN
BRAC Field Team Leader

EMILY S. RAPAPORT



- 1109-C
- Keppler CT
- San Francisco,
California 94130
- erapaport@aol.com

September 8, 2005

Treasure Island Development Authority Board of Directors
c/o Peter Summerville
410 Avenue of the Palms, Building 1, 2nd Floor
San Francisco, CA 94130

Dear Ms. Cheng and Board Members,

As co-chair of the San Francisco Islands Community Association, I am writing this letter on behalf of the SFICA Board and residents of Treasure Island. On behalf of my fellow residents, and board members, I want to express our fullest support for TIDA and its staff, in its current independent form. We want to make it clear to you all, that we feel it is absolutely imperative that TIDA remain an independent entity and not become a part of the Redevelopment Agency.

We are an Island Community and as such we face daily, and unique problems, with which other city residents do not have to contend. Let me assure you that TIDA cannot be replaced by the Redevelopment Agency, nor are there any overlapping of staff or of services, and in the long run "turffing" TIDA out to another agency will not in the long run save San Francisco any money.

Up until the Mayoral appointment of Mr. Hall, the past directors of TIDA and its staff never made any credible attempt in helping the residents living on the Island. Their attitude was, 'let us collect the rents, give them less than

basic services' and then tell them in not so polite terms to get lost.

Because of the Bay Bridge, Emergency Services are a constant concern for the residents. We have had issues with the lack of Police and Fire services, their response time to calls, their complete lack of knowledge of the layout of the Island. It was the TIDA staff and SFICA that addressed these issues with those city departments and got good results.

In the past year TIDA has organized several community clean-ups in conjunction with Golden Gate Refuse and has asked for and gotten larger waste bins for the residents on the Islands, improved our ability to recycle waste. Because of the TIDA staff we now have weekly Friday clean-ups with the Community Association. They have taken very seriously the matter of fire safety by having the grass cut in abandoned areas of the island. They brought 'Goats Are Us' to Yerba Buena Island to clear off dead grass. This was a creative, money saving and green way to clean up that area.

We lack jobs and industry out on the islands and TIDA has brought other agencies to help bring employment opportunities to our community by working with Jose Cisneros on the Working Tax Credit Program. The above brings in revenues to the City and Island now.

DPW is now responsive to our needs. Our street lights now work, graffiti, and vandalism of abandoned buildings are promptly taken care of. Roads collapsing on Yerba Buena have been rebuilt. Stop signs in dangerous intersections have been replaced and road striping repainted.

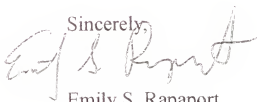
If Tony Hall, and the staff that he assembled upon his arrival were not here, the community would have been left totally in the dark about the disruptions and access issues concerning the Bay Bridge retrofit. If not for the hard work of the TIDA staff there would most likely be no contingency plan in place for emergency services for the residents on the Island during bridge closures.

DJ Canepa made certain that all of the residents were made aware of the tsunami warnings, and on two or three occasions he has been at City Hall and called me and several other residents, because he had heard that there were emergency vehicles seen running on the island. He is concerned for the well being the Island and its residents. He has been a tireless advocate for business and moneymaking ventures on the Island, as has Maryanne Thompson. She created the Island Partners Group that consists of all commercial tenants, SFICA and various island agencies. She is working with SFICA to create community-building projects for the Island Community.

The TIDA staff worked hard to save the schools, and we are now working toward bring a charter middle school to the island next year that the entire city will be proud of.

All of the activities that I have mentioned (and the twenty or so that I have not listed) may seem to you as expenditures that will ultimately be bulldozed into oblivion, because of the redevelopment. But let me assure you that all of what has been done on behalf of the community now will pay off when the new community is built. We residents plan on being here then, and moving into the new homes that are to be built. Life on Treasure Island has improved tenfold since Tony Hall was given charge of TIDA. He and the staff that he brought to Treasure Island with him, has shown a commitment to the improvement of life on the Island that is nothing short of remarkable. Under the current system, TIDA has made life better for all of us on the island now, and is helping us become a community that is not only looking forward to the redevelopment of the island, but is actively working toward it.

Sincerely,



Emily S. Rapaport

Co-Chair SFICA

Susan DeVico
1133 G Mason Court, Treasure Island
San Francisco, CA 94130

susandv@aol.com
(415) 434-8220

September 7, 2005



Dear Treasure Island Development Authority Commissioners:

I'm just writing to let you know what you a remarkable improvement that we've all seen on Treasure Island in the year since new the administration –led by Tony Hall and his deputies– has begun working at the Treasure Island Development Authority.

Mr. Hall and the dedicated professionals that he's brought on board –especially DJ Canepa– have proven time and again what incredible assets they are to this unique neighborhood, Yerba Buena & Treasure Island residents, and the entire T.I. community.

There are so many examples of TIDA's accelerated responsiveness and follow-through in the year since Mr. Hall came to T.I.; here a just a few of the many examples that leap to mind:

-The physical plant of the Island is now very well-maintained, and is in far better condition than it ever was prior to the new Administration's installment in 2004.

-TIDA is now incredibly responsive to residents and their concerns. This was not the case before under the previous administration of the Authority.

-Since Mr. Hall's arrival at TIDA, the Authority has strengthened the monthly community meetings. The status and functioning of these gatherings has improved immensely; they are now very well-structured and solution-focused. Community meetings, thanks to DJ Canepa and Mr. Hall, are actually constructive forums – and a terrific opportunity to interact with a wide variety of businesses, NGOs, State and municipal agencies (e.g., SFPD, CalTrans, SF City Treasurer, MUNI, Comcast, SFUSD, Boys & Girls Club, etc.)

-TIDA took a thoughtful, considered and compassionate stand – and worked with Island residents to prevent the closure of the very much-needed Kindergarten thru 5th grade T.I. elementary school.

-TIDA has actively worked to connect unemployed and under-employed Island residents with jobs. They're successfully working with interested Island entrepreneurs to help them realize their business and professional goals – in ways that are simultaneously helping to ensure that the Island's needs are met. (e.g., the bike repair clinic).

-TIDA –Mr. Canepa and Mr. Hall– derived an innovative, sustainable and environmentally-friendly way of saving money, by having scores of goats clear an overgrowth of fire-prone, hazardous brush on the steep slopes of Yerba Buena Island.

Here's micro anecdotal example that will give you a sense of the new TIDA Administration's commitment to the Island:

One Saturday evening, I left a TIDA principal a message on his office voicemail to alert him to the fact that the stop sign on the T.I. off ramp had been flattened – and was not clearly visible to drivers coming onto the Island (especially in the dark) via curved ramps that converge. I was pleasantly surprised –stunned actually– when my call, asking for TIDA to take action to ensure Island safety, was returned within 15 minutes. Again, this was on a SATURDAY evening. My voicemail message was acknowledged 15 minutes after I left it. Details regarding the location of the broken stop sign were confirmed, and the repair and replacement of the broken stop sign was addressed straight away.

We're very fortunate to have Mr. Hall here, and other key TIDA staffers, especially DJ Canepa, that he's brought on board.

Thank you for appointing Mr. Hall's as TIDA's executive director, so that he and the impressive team of hardworking individuals he's put in place can continue to serve this unique community.

We all really appreciate TIDA Commission's continued attention, concern and commitment to the quality of life on T.I., and your support of responsible, responsive leadership and administration— which Mr. Hall and his deputies are delivering.

Best regards,



Susan DeVico
Treasure Island
San Francisco, CA
(415) 434-8220

Donald L. Mallonee
MS Holistic Health
Business Dev/Sales Professional

1235 D. Northpoint Drive
San Francisco, CA 94130
H - 415.398.2726
C - 415.999.5497



September 10, 2005

TO: TIDA Board

RE: DJ Canepa

To Whom It May Concern:

It has come to my attention that some members of TIDA may be in jeopardy of loosing their positions due to some perceived level of redundancy or beaucroatic overlap. Specifically, I am troubled and deeply concerned that DJ Canepa, a proven leader and champion of many causes here on Treasure Island may be one of those person's whose position is considered "redundant." Let me state clearly that this would be pure folly. DJ Canepa has proven to me that there is at least one empowered person on this Island who is not only willing to lend a genuine ear but can also be counted on to deliver on his word. I am quite concerned, and rightly so, that should DJ have to give up his position the development of the Island will return to a stage when nothing is done, no project accomplished, and no initiative seen through to completion. The result, I fear, will be an Island where the environment returns to a primitive state.

In my experience with groups and organizations on this Island there seems to be a great deal of unattainable idealism, complainers with pet projects that have nothing to do with the whole of the Island or it's citizens, misguided and/or unfocused initiatives skewed toward minorities that are either apathetic or indulgent in equal measure. I have walked away from these groups due to realizing that nothing good will get done and that a true understanding of how to inculcate the civic sense in a community or forward works that benefit the whole is mostly lacking. But during this process I have discovered a few good citizens and a few good administrators who truly have the whole community in mind and have a keen sense of how to develop the civic sense and craft a community that stands a chance at creating a "good" neighborhood. DJ Canepa is an administrator who has always taken my calls, scheduled appointments and kept them, listened to the concerns and problems as presented, and then gone out of his way to make sure that the projects he commits to are seen through to completion.

Because of DJ the Island is vastly cleaner, fire hazards reduced, beauty restored, and local pride preserved. For those of you reading this you are probably unaware of how deeply the Island had fallen toward becoming a dumping ground for non-residents, a trash-yard for those who take no pride in house & home, an overgrown jungle environment adding to the impression of decline, urban neglect that inspires and empowers the criminal minded, vandal, thug and causing depression, dismay and defeat in those who see the beauty and promise of the Island's natural grace and



what it's community might ultimately become and symbolize. DJ has taken time to walk the Island with concerned citizens and seen first hand the levels of neglect, pollution, and decay. He has demonstrated that he keenly understands that the outer environment reflects the inner environment and that only a downward spiral can result with continued non-action. DJ's attention and focus along with the support of certain citizens has single handedly lead toward directing the resources of the Island towards cleaning up the garbage and waste, cutting down and removing the weeds and growth in derelict areas where juveniles and the un-homed go to avoid notice thereby reducing fire dangers helping, reducing the risk of violence, etc.. These are major accomplishments, the benefits of which are incalculable and far reaching, not only for the citizens of this Island but also for San Francisco as a whole.

DJ has also worked toward the establishment of a dog-park here on the Island. This place is well known as an area where dogs are accepted so many people move here in order to have a dog. Many people who live here have become "dog people" as a result of being in the environment. To have a dog on this Island is genuinely part of one's identity while living here. In fact, the Island is well known by non-residents as a great place to bring your dog for the purposes of exercise, play, and socialization with other dogs and dog owners. The attempts of other agencies involved with the Island to manage the issue of dogs has bordered on the absurd, ridiculous, and irresponsible. Only DJ has recognized the overall value, safety, responsibility, and simple necessity of creating a place on the Island where dogs and owners are allowed to gather and socialize.

Although I have spoken to DJ at length about many other issues on the Island the ones mentioned above have been the ones I am most keenly concerned and involved with because it is my professional opinion that championing these causes would do the most to reduce crime and vandalism, increase safety, inspire civic pride in residents and non-residents, inspire a positive attitude and environment and generally speaking raise the consciousness of the Island to a higher level. You have to provide a child the foundation of a good home if one is to give that child a true chance in this world. DJ has demonstrated to me that he understands this principle and has exhibited genuine concern and desire to do good things and to embrace projects to see that this kind of ideal is instilled and installed. DJ has helped to make this place a good and better home. Along the way I have come to regard DJ as a friend and colleague, a likeminded spirit who is fighting the good fight for the right reasons and getting good things accomplished thereby. If the tone of this letter has been somewhat sharp or highlighted the negative for the purposes of revealing the positive then I only hope to communicate how important DJ has been in reducing the negative and providing for a more positive life here on the Island. Retain DJ Canepa and his position here on the Island. The great city of San Francisco will be well served in doing so.

If you have any questions feel free to contact me at the numbers provided. I am happy to meet with anyone to discuss this matter and lend support to a process that preserves DJ's position with TIDA.

September 7, 2005

Sincerely,

Don Mallonee

A handwritten signature in dark ink, appearing to read "Don Mallonee", written over a horizontal line.



July 18, 2005

T.I.D.A. Board of Directors
410 Avenue of The Palms
Building 1, 2nd Floor
San Francisco, California 94130

Dear T.I.D.A. Board,

For ten years Christian WYSIWYG Filmworks, Inc. has been working hard at building a film company that would be a leader in the movie industry. We would like to share with you an updated report of the latest developments in our company.

We have just opened our new movie studios on Treasure Island in San Francisco.

We have just returned from Italy where we shot the first scenes from our movie, *Gravity: The Shadow of Joseph*. The film has a budget of 50 million dollars.

We have secured a distribution agreement with Regal Cinemas, Edwards Cinema and United Artists for the release of our movie on 07/07/07 in fourteen IMAX theaters and subsequently, 2,500 Class A theaters.

We have completed the first shots of our latest film in 70mm, 60 frames a second. Our movie will be the first feature film in history to be shot in this format. Our Abraham camera which is the highest speed, highest resolution digital film camera in the world took its first picture on June 21st, 2005. (The Abraham camera has a higher resolution than the human eye!)

On July 28th, 2005 we will test our prototype of the first DSD theatrical Wave Field Synthesis Sound System in history. We will be demonstrating this at the Audio Engineering Society Convention in New York City in October of this year.

In October of 2005 at the Audio Engineering Society Convention in New York we will introduce the first portable DSD field recorder to the industry. The recorder named Sarah will be a commercially available product through a joint venture with Christian WYSIWYG Filmworks, Inc and Genex Audio Corp.

On June 30th, we received delivery from Egriment Corp. of the first carbon fiber articulating movie crane in history. Its serial number is 5550001.

In November, Costal Optics will have completed the manufacturing of the fastest camera lens in history. A 120-degree field of view, 65 mm format lens with an f-stop of .75!

We are excited about these and many of the other technological and industry breakthroughs that our company is currently experiencing. Our new movie, *Gravity: The Shadow of Joseph*, is in full swing now and we will keep you informed as other new, exciting developments occur.

Though we were wooed by Alameda, Tracy and other counties, we feel that San Francisco is the crown jewel.

Thanks to Tony Hall and his staff at TIDA for fostering a resurgence of the film industry in San Francisco.

Richard Gazowsky



President
Christian WYSIWYG Filmworks



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

1705 Market St., 11th Floor, San Francisco, CA 94103 | Tel: (415) 362-3155 | Fax: (415) 554-3151 | TTY: (415) 225-1100



GAVIN NEWSOM
MAYOR

RICHARD SKLAR
PRESIDENT

ANN MOLLER LIVEN
VICE PRESIDENT

E. DENNIS MORRIS
ADAM WEINSTEIN
RYAN L. DUNN

SUSAN LEE
CITY CLERK

September 12, 2005

Reedy Hall

Executive Director

Treasure Island Development Authority (TIDA)

414 Avenue of the Stars, Building 1, 4th Floor

Treasure Island

San Francisco, CA 94134

Dear Tim:

On behalf of the San Francisco Public Utilities Commission (SFPUC), I would like to congratulate you on your first year as the Executive Director of the Treasure Island Development Authority (TIDA).

The SFPUC would also like to extend its appreciation to you for supporting our work to efficiently operate and maintain the utility infrastructure systems at Treasure Island (TI) and Yerba Buena Island (YBI) while mitigating financial, regulatory, and operational risks. This commitment is exemplified by your support of the Utility Infrastructure Working Group, which is composed of key individuals from TIDA, SFPUC, the Marines Office of Base Force and Development, the City Attorney's Office, and the Treasure Island Community Development (the TIYBI) master developer. This senior working group provides inter-department communication, coordination, and synergy in reviewing key utility infrastructure planning and operational issues, such as capital improvement, repair and replacement, and emergency.

Some of the results of working within this group have been TIDA's appropriation of \$500,000 for the engine diesel generators at TI for fiscal year 2005-2006, payment for \$6,565,000 replacement of the 500,000 gallon storage reservoir at YBI and the \$33,090 replacement cost of the backup water supply meter and connection from the East Bay Municipal Utility District. The SFPUC and TIDA are also currently working on a process to review the existing utility rate schedule at TIYBI that was set by the ICB in May 1997.

With the convergence of this TIYBI project together with other, the SFPUC is committed to continue working with you, TIDA, and other City Departments in realizing this development project through its successful completion.

Sincerely,



Barbara Hale

Assistant General Manager, Power



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller
Monique Zmuda
Deputy Controller

September 14, 2005



Mr. Tony Hall
Executive Director
Treasure Island Development Authority
410 Avenue of Palms
Building 1, 2nd Floor
San Francisco, CA 94130

Dear Mr. Hall:

We recently received an anonymous report that the Treasure Island Development Authority has started to remove funds from under the control of the City and County of San Francisco. After a quick check, this appears to be true.

It is important to note that over the past year or so, TIDA has been slowly moving away from the City's administrative infrastructure and TIDA is legally entitled to do this should the TIDA Board so desire. TIDA has begun providing administrative functions through its own staff, or contracting with the Redevelopment Agency or a third party. For example, the majority of employees have moved from the City's payroll system to receive payroll and benefit administration from the Redevelopment Agency, and TIDA's executive director is paid through a third party administrator.

However, we were progressing with the understanding that TIDA's funds were being held and managed by the Treasurer and all accounting transactions were flowing through the City's books. We now have been informed that TIDA has opened three Certificates of Deposit with a combined value of \$173,000 that have not been invested through the Treasurer and of which the Treasurer had no knowledge. We do not know the source of these funds and whether rents, grants or other income is being diverted from the Treasurer's accounts for some specific purpose. We should note that the interest rate on these CD's is 2.7%, while the City Treasurer's pooled funds earned 3.2% in July. I also understand that the account was originally set up with only the City Treasurer's staff allowed to draw on these funds. I understand that the signature of TIDA staff member, John Farrell has been added.

Since TIDA's cash balances held by the City have dropped by about \$500,000 over the past two months, it is not clear to me whether this is a seasonal fluctuation or an indication that other funds may be invested in other places. While you have the legal authority to invest your funds as you please, we would caution you to either use the investment services of the City Treasurer or some other qualified investment advisor. It may also be the case that these funds were established so that you could make expenditures outside of the City processes. Again, this is quite legal, but we would caution you that proper internal

controls should be in place including a requirement for more than one hand signature on a paper check before funds may be released from a bank account.

The other area of concern is whether these out of Treasury activities are recorded in the City's financial records. As you know, the City has an annual financial audit of all of its activities. TIDA has been simply included in the Citywide audit under the belief that all of TIDA's transactions are recorded in the City's books and have been subjected to the same set of internal controls the auditors check on a Citywide basis. Should this not be the case, we will have to arrange for a separate outside audit of whatever records do represent the full activities of TIDA.

As you know, departments of the City receive an array of administrative functions from central City agencies to assure the financial integrity of their operations and to protect the departments' assets. City departments adhere to the City's policies and procedures to reduce their financial risk, which allows them to focus their resources on providing core services to the public.

Should TIDA opt to separate its administrative functions from the City, the Agency should develop financial controls and policies that are approved by the TIDA Board. Also, it would be prudent for the TIDA Board to form a finance committee to establish policies and review the agency's purchases, cash management and investment practices in order to assure that your funds and resources are effectively managed and controlled.

Finally, the Controller and Treasurer are willing to continue to provide TIDA with the required financial and cash management functions. However, it is important that TIDA adhere to the City's policies and internal controls or reach agreement with our agencies on alternative policies and controls that we can all adhere to should the agency opt to use the administrative functions of the City.

Please let me know if you have any questions and how you choose to proceed.

Sincerely,

Edward Harrington,
Controller

cc: Claudine Cheng, President, Treasure Island Development Authority
Jose Cisneros, City Treasurer

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY

Memorandum

TO: Claudine Cheng, President
Members of the Treasure Island Development Authority

DATE: September 15, 2005

PAGE: 2

RE: Authority to Invest Funds

January 9, 1998. On February 25, 1998, the Board of Directors adopted TIDA's initial Bylaws. The Bylaws were first amended on May 20, 1998 and amended a second time on April 14, 2004. The initial Bylaws as amended are collectively referred to as the "Bylaws."

On February 25, 1998, the Board of Directors passed TIDA Resolution No. 98-06-2/25 authorizing the Finance Director of the Mayor's Treasure Island Project Office and the Controller and/or the Treasurer of the City and County of San Francisco to maintain the accounts and financial records of TIDA. Over the years, the practice has been to have the Treasurer hold and manage all TIDA funds and provide for the accounting of TIDA funds through the City's book-keeping.

According to the Controller's letter, there have been two significant departures from the established practice of TIDA: (1) instead of investing funds through the Treasurer's pooled funds, investing TIDA funds independently; and (2) investing TIDA funds at a lower rate of interest than the Treasurer obtains on its pooled funds. In this memorandum, we assume the accuracy of the statements in the Controller's letter, and we have not undertaken any independent analysis.

ANALYSIS AND CONCLUSION

Article V, Section 1 of the Bylaws provides that all corporate powers of TIDA shall be exercised by or under the direction of the Board of Directors. Article V, Section 2 of the Bylaws lists some of the specific powers of the Board of Directors. Those specific powers include acting "in the corporate name to invest corporate funds so as to secure a reasonable return on funds not immediately needed for operating expenses or for approved projects, programs or activities." (Article V, Section 2(q) of the Bylaws) Article V, Section 2(b) of the TIDA Bylaws provides that the Board of Directors has the power to prescribe the powers and duties of TIDA's officers, agents, and employees. The Executive Director of TIDA acts as the day-to-day manager of TIDA, subject to the direction of the TIDA Board of Directors.

As both the administrator of the tidelands trust and a redevelopment agency, TIDA has the responsibility to ensure that funds generated by the tidelands trust and by redevelopment activities on Treasure and Yerba Buena Islands are used for appropriate purposes and properly accounted for. Since all of the corporate powers of TIDA vest in its Board of Directors, the responsibility for the use and accounting of such funds lies with the Board of Directors.

As mentioned above, the Controller's letter identifies two material deviations from past practice of TIDA regarding its investment of funds. The Board of Directors of TIDA must approve, either specifically or by an appropriate delegation to the Director, this type of decision to invest TIDA's funds that materially differs from TIDA's established past practices. While we

OFFICE OF THE CITY ATTORNEY

TO: Claudine Cheng, President
Members of the Treasure Island Development Authority

DATE: September 15, 2005

PAGE: 3

RE: Authority to Invest Funds

Please let me know if you have any further questions about this matter.

cc: Tony Hall, Executive Director, TIDA
Ed Harrington, City Controller
Jose Cisneros, City Treasurer

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 5

Meeting of September 21, 2005

Subject: Resolution authorizing the Executive Director of the Treasure Island Development Authority to take all actions necessary to (1) establish the Authority as the employer of record of all Authority staff, (2) negotiate a short-term extension of the Agency Agreement with the San Francisco Redevelopment Agency on a month-to-month basis not to exceed three months, and (3) effectuate a roll-over of existing Authority staff from the San Francisco Redevelopment Agency to direct employment at the Authority (*Action Item*)

Contact/Phone: Tony Hall, Executive Director
Frank Gallagher, Deputy Director
John Farrell, Chief Financial Officer
274-0660

Background

TIDA is a small agency with 12 staff members, including one who is work-ordered to the Mayor's Office of Base Reuse. The agency's mission, briefly, is three-fold: 1) to facilitate the acquisition and development of the former Naval Station Treasure Island on behalf of the City and County of San Francisco, 2) to provide municipal services to the more than 3,000 people who live and work on the island during the interim and 3) to maintain the existing facilities that provide the agency's stream of operating revenues.

The Treasure Island Development Authority operated under the auspices of the Mayor's Office from its creation in February 1998 through June 2004, when it engaged in a temporary operating agreement with the San Francisco Redevelopment Agency. The term of the agency agreement with the SFRA was for six months, with a provision for month-to-month operations thereafter, provided that any cumulative extension beyond one year shall require the approval of the TIDA Board of Directors and the SFRA Commission.

This agreement, including the limited month-to-month provision, expired at the end of June 2005 and was subsequently extended by TIDA and the SFRA Commission through September 2005.

It should be noted that the Agency Agreement, when it was initially put in place, was intended as nothing more than a temporary measure until TIDA could be established as an employer of record.

In fact, the staff summary of the item before the TIDA Board of Directors on June 9, 2004 stated, "It is clearly understood that the arrangement to provide specified staff for the Project Office under the Agreement is temporary in nature until TIDA can form its own, stand-alone agency

directly hiring its own personnel and providing retirement and health benefits under the CalPers system.”

Under the Agency Agreement, the SFRA provides TIDA with Human Resources services, including:

- Personnel policies
- Benefits administration
- Human resources and personnel actions
- Labor relations, including negotiating agreements
- Payroll services, except for the Executive Director, which is provided by TIDA directly

TIDA, as an agency, is already providing:

- Financial policies and procedures
- Accounts payable services
- General accounting services
- Investment of surplus cash, should such be necessary
- Independent audit coordination and,
- Employment tax filings

In exchange for these partial HR services provided by the Redevelopment Agency, TIDA compensates the SFRA approximately \$189,258 annually.

Previously, TIDA staff, working with SFRA staff and representatives of the Office of the City Attorney, developed three alternatives for consideration by the TIDA Board of Directors:

1. Remain with the San Francisco Redevelopment Agency
2. Establish TIDA as an employer of record or,
3. Contract with a Professional Employment Organization for these services

Option 1

Option 1 entails simply extending the existing agency agreement between TIDA and SFRA. Under this arrangement, the SFRA would continue to provide personnel policies and actions (hiring, performance reviews, disciplinary actions and termination), labor relations, payroll services and insurance, including fiduciary, general and liability coverage. TIDA would continue to provide financial policies and procedures, accounts payable services, general accounting services, investment of surplus cash, independent audit coordination and employment tax filings. It should also be noted that while the responsibility for personnel actions rests with the SFRA, in practice they are executed by TIDA.

In exchange for these services, TIDA would pay the SFRA an administrative fee.

The cost to TIDA, at present, for these services is approximately \$189,000, according to the agency agreement.

This option is not practical for a number of reasons.

1. It is more efficient, and is in keeping with the existing labor MOUs, for employees to be officially managed by the agency they work for, and
2. The original expectation when the employees briefly joined SFRA was that TIDA would become the employer of record.

Moreover, the two labor unions that represent TIDA employees, Service Employees International Union Local 790 and the International Federation of Professional and Technical Employees Local 21 have indicated that extending the agency agreement is unacceptable to them.

Option 2

Under Option 2, TIDA would be established as the employer of record, directly employing the individuals who currently comprise the agency's staff.

At this juncture, TIDA has a vacant, funded staff position available. This position would be used to hire an on-site Human Resources Director who would attend to TIDA's HR needs, including:

- Personnel policies
- Human resources and personnel actions
- Payroll services, and
- Benefits administration

The remaining financial services are already handled by TIDA staff. These include:

- Financial policies and procedures
- Accounts payable services
- General accounting services
- Investment of surplus cash, should such be necessary
- Independent audit coordination and,
- Employment tax filings

With respect to employment claims liability, Deputy City Attorney Larry Hecimovich noted that the existing arbitration and grievance procedure outlined in the current MOUs would address the vast majority of employment claims that may arise.

Option 3

Under Option 3, TIDA would enter into an agreement with a Professional Employment Organization (PEO) such as Local Government Services (LGS) to provide services that would meet all of the needs outlined above.

Entering into a contract with LGS requires that LGS assume the status of employer of record; therefore TIDA's status as a union shop cannot be guaranteed in the longer term. Indeed, a survey of agencies that employ LGS in this capacity, including the San Francisco Transbay Terminal Joint Powers Authority, revealed that they are non-union workplaces.

For that reason, Option Three is not acceptable.

Staff Recommendation: Establish TIDA as an employer of record, as was originally intended when the temporary Agency Agreement was approved in June 2004.

ENTERED
SEP 2005

TREASURE ISLAND
DEVELOPMENT
AUTHORITY

Legislative Intent

- This matter has been needlessly complicated. We are not "reorganizing" or "creating an independent agency." We are simply reclassifying TIDA employees as employees of TIDA, rather than as employees of the Redevelopment Agency.
- It's worth noting, though, that in point of fact TIDA already is an independent agency, and is designated as the sole agency for purposes of redeveloping Treasure Island under federal, state and local law.
- The California Legislature, by enacting the Treasure Island Conversion Act of 1997, created TIDA as a single public agency vested with both redevelopment authority and the power to administer the Tidelands Trust in order to facilitate the conversion of Naval Station Treasure Island.
- As a result, in January 1998, The Board of Supervisors passed resolution No. 43-98 designating the Treasure Island Development Authority, which is described in the legislation as "a single, independent entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and Co. of S.F.," as the sole Local Reuse Authority tasked with redeveloping Treasure Island.
- Under the Base Closure and Community Assistance Act of 1993, there can be only one LRA. In this case, it's TIDA.
- From the very beginning, it was always intentioned that TIDA would operate as a separate legal entity, and as such be responsible for its own operation and staff.
- TIDA employees ended up under the SFRA only because TIDA employees were originally chosen from City ranks, and as a relatively small agency, it was more convenient for all involved at that time to have TIDA employees remain City employees for purposes of payroll, HR, health and Retirement. TIDA has always been totally self-sufficient and has paid for all of these services.
- In April of 2004, the Mayor's Office decided that TIDA employees should no longer be employees of the City, and that TIDA should operate as a separate entity. As you know, TIDA employees were placed under the auspices of the Redevelopment Agency and until TIDA could set up its own HR, payroll, health and retirement programs. This move was never envisioned as anything more than a temporary measure, and to portray it as anything more is disingenuous at best.

- Indeed, given that federal, state and local legislation specifically envisions TIDA as an agency separate and apart from the SF Redevelopment Agency, the notion that the TIDA employees should be permanent employees of the San Francisco Redevelopment Agency – or any other entity other than TIDA – contains an inherent conflict of interest.

Cost Savings

- At present, we are paying the redevelopment agency approx \$190,000 per year to administer for us limited HR functions such as personnel policies, benefits administration, labor relations and payroll services, except for the Executive Director, whereby TIDA is already contracting for a payroll service.
- TIDA is already providing for itself financial policies and procedures, accounts payable services, accounting services, Investment of Cash, audit coordination, employment tax filings, and payroll services. **We can save \$140,000 per year by providing these limited HR services in-house rather than contracting with the Redevelopment Agency.**
- Specifically, I have a vacant position open on my staff that can be used to hire an HR specialist to handle TIDA's payroll, benefits administration and personnel policies and actions. This position is already approved and budgeted.

Union Recommendations

- Two labor unions represent TIDA employees, the International Federation of Professional and Technical Engineers Local 21 and the Service Employees International Union Local 790. Both unanimously and unequivocally support TIDA status as an employer of record.
- In addition, both unions have acknowledged that, because TIDA is such a small entity, rolling over the existing MOUs that govern TIDA's employee through the Redevelopment Agency is not a big deal, and can be accomplished relatively easily and quickly.

Closing Remarks

- Directors, my direction from the mayor has been to create good public policy at Treasure Island, and to do the right thing for the people of the City and County of San Francisco, so I'm asking you to approve the staff recommendation before you today, to make TIDA the employer of record for its employees.
- It's good public policy – it's consistent with legislative intent, it is by far the most cost-effective and efficient model of organization – indeed, we will save \$140,000 a year by doing so – and it is consistent with our the city's policy of honoring organized labor.
- With that, I'll turn the matter over to Deputy Director Gallagher, who has been in the lead on this project.



**INTERNATIONAL
FEDERATION OF
PROFESSIONAL
AND
TECHNICAL
ENGINEERS**

**LOCAL 21
AFL-CIO**

An Organization of
Professional and Allied
Technical Employees

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September 12, 2005

Jared Blumenfeld, Director
SF Environment
11 Grove Street
San Francisco, CA 94102

Dear Mr. Blumenfeld:

We strongly support the Treasure Island Development Authority (TIDA) becoming the employer of record for its own employees. We have represented TIDA employees during their 14 month transitional period as employees of the San Francisco Redevelopment Agency. We have been consistently assured that this was a temporary measure until TIDA could become the employer of record.

The employees themselves want TIDA to become the employer of record. Additionally, our membership at the San Francisco Redevelopment Agency voted overwhelmingly in support of TIDA being the employer of record for TIDA employees.

Most importantly, it will prove most efficient to have the organization overseeing the work of the employees also be the employer of record.

If you require any additional information, we would be happy to provide it.

Sincerely,

David Novogrodsky
Executive Director

cc: Isabella Wong, SFREA Local 21 President
Bob Britton
Anne Janks

LOCAL 790



SEIU

Stronger Together

JOSIE MOONEY
Executive Director

MARY ANN TURLEY
Deputy Executive Director

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AFL-CIO, CLC

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September 12, 2005

Treasure Island Development Authority
Commission Members

San Francisco CA 94104

Dear Commissioners:

SEIU Local 790 strongly supports the Treasure Island Development Authority (TIDA) becoming the employer of record. We have represented TIDA employees during the 14 months transition period as employees of the Redevelopment Agency. We were told that this was a temporary measure until TIDA could become the employer of record.

After meeting with these employees and conferring with the Redevelopment Agency Union members themselves have requested that TIDA become their employer of record.

Finally, the Union thinks that this is the most efficient way to oversee the employees of the Authority and they should be the employer of record.

If you have any questions, please call me at (415) 747-2023.

Sincerely,

James A. Bryant
Business Representative



OFFICERS

RYK SPRAY RN
President

STEVE BRISTOW
Executive Vice President

VICKI REED
Treasurer

HENRIETTA LEE
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Government Industry

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MYNETTE THEARD
Chairperson, Education
Industry

NORMAN Y. TEN
Chairperson, Private
Sector / Non-Profits
Industry

KAREN BISHOP
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Civil Rights Committee

MARIA MA
Chairperson, Media /
Communications
Committee

EVAN MOGAN, RN
Chairperson, Policy &
Appeals Committee

MARY SANCHEZ
Chairperson, Organizing Committee

LINDA JANG
Regional Trustee
San Francisco

MARY JANE LOGAN
Regional Trustee
East Bay

JOHN MCEEEK
Regional Trustee
Sacramento

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Regional Trustee
Sacramento

E. DEAN SMITH
Regional Trustee
San Joaquin

MARY STERLING
Regional Trustee
San Joaquin

DAVID M. TURNER
Regional Trustee
San Francisco

TERRY WOOD
Regional Trustee
East Bay

RESOLUTION NO.

[Authorizing the Executive Director to establish the Authority as employer of record of staff.]

Resolution authorizing the Executive Director of the Treasure Island Development Authority to take all actions necessary to (1) establish the Authority as the employer of record of all Authority staff, (2) negotiate a short-term extension of the Agency Agreement with the San Francisco Redevelopment Agency on a month-to-month basis not to exceed three months, and (3) effectuate a roll-over of existing Authority staff from the San Francisco Redevelopment Agency to direct employment at the Authority.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "TIDA") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB699), the California Legislature, among other things, designated the TIDA as a redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code section 33000, et seq. (the "Law") upon approval of the Board of Supervisors; and,

WHEREAS, The Board of Supervisors approved the designation of TIDA as a redevelopment agency with powers over the former Naval Station Treasure Island in Resolution 43-98 on February 6, 1998; and,

WHEREAS, Under the California Redevelopment Law, TIDA has the authority to select, appoint and employ such permanent and temporary officers and employees as it requires and to determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the Board of Supervisors on the expenditure or

1 encumbrance of budgetary funds appropriated to TIDA (Section 33126 of the California Health
2 and Safety Code); and,

3 WHEREAS, Under Article V, Section 2 of TIDA's Bylaws, the TIDA Board of Directors
4 has the power to appoint and remove, at the pleasure of the Board, all of TIDA's officers,
5 agents, and employees; and,

6 WHEREAS, Until August 4, 2004, the Authority has not had any direct employees,
7 instead relying on certain City employees (the "Project Office") to provide the staff support
8 necessary for the Authority to fulfill its lawful purposes (the "Services"), pursuant to the terms
9 and conditions of that certain Agency Agreement, by and between the City and the Authority
10 dated February, 1998 (the "City Agency Agreement"); and,

11 WHEREAS, On June 9, 2004, this Board of Directors authorized the termination of the
12 City Agency Agreement and approved an Agency Agreement with the San Francisco
13 Redevelopment Agency (the "SFRA Agency Agreement") for the provision of staff services to
14 the Authority; and,

15 WHEREAS, The purpose of the SFRA Agency Agreement was to have members of the
16 Project Office temporarily become employees of the San Francisco Redevelopment Agency
17 while the Authority explored means of hiring directly its own employees as a separate
18 redevelopment agency under California law; and,

19 WHEREAS, After exploring various alternatives, the Authority Board of Directors
20 wishes to take steps to directly employ all Authority staff currently employed by the San
21 Francisco Redevelopment Agency; now, therefore, be it

22 RESOLVED, That the Authority Board of Directors hereby authorizes the Executive
23 Director to take all actions necessary to (1) establish the Authority as the employer of record
24 of all Authority staff, (2) negotiate and execute a short-term extension of the Agency
25 Agreement with the San Francisco Redevelopment Agency on a month-to-month basis not to

1 exceed three months, and (3) effectuate a roll-over of existing Authority staff from the San
2 Francisco Redevelopment Agency to direct employment at the Authority; and be it

3 FURTHER RESOLVED, That the Executive Director is directed to develop personnel
4 rules, regulations, and employment classifications for the Board of Directors' review and
5 approval.

6
7 **CERTIFICATE OF SECRETARY**

8 I hereby certify that I am the duly elected Secretary of the Treasure Island
9 Development Authority, a California nonprofit public benefit corporation, and that the
10 above Resolution was duly adopted and approved by the Board of Directors of the
11 Authority at a properly noticed special meeting on September 21, 2005.

12
13
14 Susan Po-Rufino, Secretary
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25



DENNIS J. HERRERA
City Attorney

LAWRENCE HECIMOVICH
Deputy City Attorney

DIRECT DIAL: (415) 554-3933
E-MAIL: LARRY.HECIMOVICH@sfgov.org

TO: Claudine Cheng
President, Board of Directors
Treasure Island Development Authority

FROM: Lawrence Hecimovich
Deputy City Attorney

DATE: September 16, 2005

RE: Guidelines For Adoption of Performance Evaluation Criteria
Pursuant to Tony Hall Individual Employment Agreement

This memo is in response to the Board's request for a brief overview of options available to the Board in conducting an evaluation of the Executive Director's performance, as contemplated by his Employment Agreement dated August 4, 2004. The Employment Agreement provides that "at the end of the first year, and every subsequent year of this Agreement, the Authority shall conduct an annual performance review to evaluate Hall's performance and review his compensation."

The determination of performance criteria and weighting of performance factors to be included in a performance evaluation is generally a function of organizational objectives and priorities, not dictated by legal requirements. In general, most performance evaluations should consider whether and how well the employee has fulfilled the position's duties and expectations.

Obviously the formality and level of detail in any performance review will vary not only with the employee's position and responsibilities, but with the employer's own practices and concerns and various other factors. In this instance, the Employment Agreement does not specify any particular evaluation process, so the Board has broad discretion to determine what evaluation process to use.

For purposes of reference, I am attaching a sample blank performance review prepared by the City's Department of Human Resources and available on DHR's website. This form contains some of the standard components of a typical performance review, including sections for the employee's job description, identification of key performance objectives for the review period, the employer's objectives, and professional development objectives.

In addition, I am attaching a section of the Performance Management Program for Managers and Executives, developed by the City and the Municipal Executives Association. Like the sample review form, this document was developed for the City's use with City employees, and is offered only for purposes of example. The attached section, Elements of the Performance Plan, provides guidance on the identification and articulation of goals, objectives and rating criteria in a performance review.

The Board is free to make use of the attached materials to the extent it deems appropriate.

III. Elements of the Performance Plan

A. *Mission-focused goals and objectives*

1. Goals

A **GOAL** should:

- be a statement which is short, simple, timeless and unquantified;
- begin with a verb;
- address only one major program, activity or function; and,

most importantly:

- **state a purpose that is meaningful in the context of why citizens and government officials created our departments and positions and continue to fund them.**

In order to develop individual goals and performance objectives, an employee needs to understand the mission and goals of the program and organization, and how the employee's job responsibilities tie into these larger goals. It may be helpful to start with the department's strategic plan, and/or other documents that show departmental or program goals and performance expectations. The Mayor's Budget Book includes the mission statement and a set of goals and performance measures for each department. It is also helpful for an employee to know her/his evaluator's individual goals and performance objectives.

To help set the context for your goals and objectives, you may want to answer the "Five Questions to Help Employees Develop Goals and Objectives" in Appendix B.

Goal Examples:

- Provide increased recreation opportunities for San Franciscans.
- Provide safe travel for all passengers.
- Provide clean, safe cultural centers with active programming for their communities.
- Provide training opportunities for youth.
- Ensure efficient and accurate response to requests for financial information.
- Maximize job site safety and security.

2. Objectives

An *objective* is a specific statement of a result to be achieved in order to reach a goal. An objective should meet five criteria, which form the acronym **SMART**:

S	<i>Specific</i>	State exactly what is to be achieved. Use action words.
M	<i>Measurable</i>	Identify expected outcomes and how they will be measured (e.g., quantity, quality, accuracy, time, cost, or safety).
A	<i>Attainable</i>	Good objectives are attainable, yet require you to stretch to achieve them. They should not be so difficult that you set yourself up for failure, nor so easy that you are not challenged by them.
R	<i>Results-Oriented</i>	Focus on results, rather than process or activities. A good objective should be written in terms of results or conditions to be achieved, rather than activities to be performed.
T	<i>Time-Limited</i>	Establish clear milestones to measure progress. Measurement dates must fall on or before the end of the rating period each year, so that you can evaluate your accomplishments.

Relationship of Objectives to Goals

Several objectives may fall under the same goal. In the following example, the goal statement is broad and timeless, while the objectives describe specific, measurable results that would fulfill the goal.

Goal: Provide increased recreation opportunities for San Franciscans.

Objective #1: Increase the number of hours City swimming pools are open by 20% over last year.

Objective #2: Increase the number of tennis courts that are open and in good repair from a daily average of 150 last year to an average of 165 this year.

Objective #3: Provide after-school recreation programs to 15% more youth in the 2001-2002 school year than in the previous year.

Objective #4: Increase from 52% to 70% the percentage of parents surveyed who agree with the statement, "My child has access to safe, healthy recreational activities within a reasonable distance from home."

How Many Objectives?

In order to focus your efforts and achieve your objectives, we recommend that you limit the number of objectives, by assigning each objective at least 10% of the total performance rating. The objectives that have the highest priority and/or will require the most effort may be weighted more heavily.

Challenges of Setting Objectives

In many cases, success is hard to quantify. You may have objectives that describe a result in qualitative terms, or more likely a combination. The following section on Rating Criteria includes further discussion of the various ways to measure performance.

The most common pitfall in setting objectives is a focus on activities completed, (e.g., number of meetings conducted) rather than the results achieved through those activities.

More Examples of Performance Objectives:

- Reduce maintenance closure time by 25%, from four weeks per year to three weeks per year, while maintaining a high level of customer satisfaction with facilities.
- Create 300 new drug-treatment slots by April 15, 2003.
- Issue the City's annual financial report by November 2003, and receive awards for quality from the two reviewing bodies of finance officers.
- Increase the percentage of citizens that consider street cleanliness in their neighborhood to be "good" or "very good" from 32% to 45%.
- Enroll 90% of aid recipients in an employment training program by March 31, 2004.
- Achieve 80% job retention after three months for aid recipients who find employment by January 31, 2004.

Setting clear objectives reduces the chance of disagreement over performance ratings. This process, if conducted well, avoids common performance rating errors such as: overvaluing a recent or dramatic event, giving an overall high or low rating based on a single positive or negative characteristic, or rating all staff in the middle or high range in order to avoid difficult decisions.

3. Rating Criteria

Rating criteria are standards for **measuring performance**. They describe explicitly the results that are required in order to achieve each of the five performance ratings:

- (5) Outstanding
- (4) Superior
- (3) Exceeds Standards
- (2) Competent
- (1) Needs Improvement

Some Examples of Performance Measures used in Rating Criteria

- Quantity
 - Number of clients placed in jobs
 - Number of interruptions of service
 - Number of businesses receiving outreach advertisement
- Quality
 - Receipt of accreditation or licensing
 - Expert opinion
- Accuracy
 - Error rates
 - Audit findings
- Access
 - Information is available in multiple languages
 - Multiple modes of transaction (in office, by phone or Internet, etc.)
- Satisfaction
 - Citizen or client perceptions, measured through surveys
 - Complaints filed
 - Commendation letters received
 - Number/percentage of repeat customers
- Time
 - Project completion or implementation dates
 - Percentage of monthly reporting deadlines met
 - Average response times
 - Percentage of responses within set time standards
- Cost
 - Total cost of project
 - Cost per unit produced or per client served
 - Amount over/under budget
- Safety
 - Number of incidents
 - Parts per million of contaminant
 - Certification of compliance with regulations

How to Set Rating Criteria

Usually the most effective rating criteria include **more than one type of measure**, so that they address inherent trade-offs. For example, a focus on reducing time or cost should be balanced by attention to quality. A count of the number of community meetings held might be accompanied by a measure of how effective those meetings were in reaching the public.

One way to start setting the rating criteria for an objective is to define “competent” – what would be acceptable – and “outstanding” – a truly exceptional accomplishment – and then build in the other levels of performance. For example:

Goal: Provide timely, accessible information to the public about housing services.

Objective: Establish housing services web site by December 31, 2002.

Rating Criteria:

Outstanding

Web site is up by 11/30/02 or earlier; site includes links to relevant City housing, development and service agencies; nonprofit housing providers, supportive housing services, rental and roommate agencies. Users can search for vacancies on line, sorting by location, size and price. Users can enter household and income information and determine eligibility for subsidies. Site includes easy, non-intrusive survey of users. As of 5/31/03, at least 50% of site visitors say they found useful information and 10% or more say they found housing as a result of the information on the site.

Competent

Web site up by 2/28/03, and includes links to City agencies and nonprofit housing providers. Income requirements for various programs listed. Some online search capability. Survey of site visitors developed and tested.

These rating criteria include completion dates, descriptions of the features of the site, and percentage measures of the usefulness and success of the site. Not all types of measures are included at every level. For example, it will not be possible to measure survey results if the survey is not completed and put in place early enough to get some responses.

From these “anchor” criteria you might determine that:

Superior performance would require a full-featured web site established by December or January, showing somewhat favorable survey results by May 2003.

Exceeds Standards would require that the site be established by December or January, but it might lack some of the desired features at that point.

Needs Improvement could result if the site was not up by February, and/or if it lacked the basic features and functionality specified in “Competent.”

Note: You should set rating criteria so that dates fall before June 1 of the performance period. If you have a project that extends beyond the end of the rating period, break it down into interim completion dates – milestones that can be reached before the evaluation.

4. Comments

The “Management Performance Review” forms include a box for comments for each objective. You may wish to include here:

- (a) Qualitative considerations that have not been captured in the rating criteria.
- (b) Details on how success will be measured.
- (c) Information on current service levels and/or other measurement benchmarks.
- (d) Anticipated challenges and plans for addressing them.
- (e) Linkages with other employees and/or other departments which are necessary to attainment of the objective.



CITY AND COUNTY OF SAN FRANCISCO

Performance Plan and Appraisal Report

I. EMPLOYEE IDENTIFICATION INFORMATION

1. LAST NAME, FIRST NAME, MIDDLE INITIAL	2. JOB CODE NUMBER AND TITLE	3. STATUS <input type="radio"/> Permanent (PCS) <input type="radio"/> Provisional (TPV) <input type="radio"/> Permanent Exempt (PEX) <input type="radio"/> Temporary Exempt (TEX) <input type="radio"/> Temporary Civil Service (TCS) <input type="radio"/> Limited Tenure (Restricted Use) (TLT) <input type="radio"/> Non Civil Service (Restricted Use) (NCS)
4. WORK LOCATION & DIVISION	5. DEPARTMENT	6. REASON FOR REPORT <input type="radio"/> Annual <input type="radio"/> Dept. Review Period <input type="radio"/> Probationary <input type="radio"/> Unscheduled
	7. REVIEW PERIOD	8. PROBATION START AND END DATE

II. EXPLANATIONS OF SECTIONS

I. EMPLOYEE IDENTIFICATION INFORMATION — Basic information about the employee, his/her status, and the review period.

II. EXPLANATION OF SECTIONS — Basic information about what should be included in each section of the Performance Plan And Appraisal Report.

III. JOB DESCRIPTION OR COMPETENCY MODEL — Detailed information regarding functional (working) title, supervisor, work schedule, job functions, duties, and responsibilities.

IV. PERFORMANCE PLAN — Key Objectives — Most important objectives for the review period (e.g., year).

Departmental Objectives (Optional) — Objectives that are department-wide (examples: Customer Service, Teamwork, Safety, etc.).

Professional Development Plan — Objectives related to what the employee will do during the review period to develop his/her knowledge and skills to increase his/her value to the organization.

V. PERFORMANCE APPRAISAL REPORT — Rating and comments on each Performance Plan objective.

VI. APPRAISAL REPORT SUMMARY

A. Overall Performance Rating — Reporting Supervisor's/Manager's rating of the employee's overall performance over the appraisal review period. The purpose of the continuum line is to give supervisors a way to show employees how the supervisor sees their overall performance across the scale.

B. Comments Regarding Overall Performance — Narrative explanation of the rating of overall performance during the appraisal report review period.

The following areas can be addressed in this section:

- | | | |
|--|--------------------------------------|--|
| ♦ Overall Performance of Job Description | ♦ Attendance And Punctuality | ♦ Effectiveness Of Working With Others |
| ♦ Results of Performance Objectives | ♦ Quantity Of Work Performed | ♦ Use Of Materials And Equipment |
| ♦ Knowledge Of Job | ♦ Quality Of Work Performed | ♦ Safety |
| ♦ Employee's Strengths | ♦ Adaptability To The Work Situation | ♦ Performance Plans |
| ♦ Achievements | | |

In addition to the areas above, the following areas can be addressed for supervisors/managers:

- | | | |
|----------------------------|---------------------------|-------------------|
| ♦ Communicating | ♦ Planning | ♦ Decision Making |
| ♦ Directing and Motivating | ♦ Training and Developing | |

C. Employee Guidelines — Guidelines for employees regarding the Performance Plan and Appraisal Report.

VII. SIGNATURE PAGE

A. Plan Sign-Off Meeting — Signatures of both the supervisor and the employee and the date they met to finalize the plan.

B. Mid-Period Performance Review Meeting — Signatures of both the supervisor and the employee and the date they met to review progress on the plan.

C. Reporting Supervisor/Manager — Information regarding the reporting supervisor/manager. This is the person who directly supervises the employee's performance.

D. Employee's Statement — Employee's opportunity to respond to the Performance Plan and Appraisal Report using a checklist, signature, and date. Signing the report only certifies that the employee has read the report. It does not indicate, unless marked, that the employee agrees with the report.

E. Reviewer's Certification — Information regarding the reviewer of the report. This is the person who directly supervises the reporting supervisor/manager.

III. JOB DESCRIPTION

A. Functional/Working Title: (may be different from Job Code Title)

B. Reports To: (supervisor's or manager's name and title)

C. Work Schedule: (days and hours)

D. Job Description or Competency Model:

(Combines Job Code Specifications, Job Announcement, and specific job functions, duties, responsibilities)

IV. PERFORMANCE PLAN KEY OBJECTIVES FOR REVIEW PERIOD Review Period: xx/xx/xx – xx/xx/xx	V. APPRAISAL REPORT RATINGS 1-Did Not Meet Objective 2-Met Objective 3-Exceeded Objective
1.	Rating: # Reason(s) for Rating:
2.	Rating: # Reason(s) for Rating:
3.	Rating: # Reason(s) for Rating:
4.	Rating: # Reason(s) for Rating:
5.	Rating: # Reason(s) for Rating:
DEPARTMENTAL OBJECTIVE (S)	
1.	Rating: # Reason(s) for Rating:
2.	Rating: # Reason(s) for Rating:
PROFESSIONAL DEVELOPMENT OBJECTIVE (S)	
1.	Rating: # Reason(s) for Rating:
2.	Rating: # Reason(s) for Rating:

VI. APPRAISAL REPORT SUMMARY

A. OVERALL PERFORMANCE RATING

The appraisal report on overall performance should include a consideration of all items in the Job Description, Departmental policies and procedures, and the Performance Plan's Key Objectives for the review period. Circle the appropriate number on the continuum.

Does not meet Reporter's expectations for overall performance for this position.	Meets Reporter's expectations for overall performance for this position. <i>Meets Competent and Effective Requirement</i>	Exceeds Reporter's expectations for overall performance for this position.
1 ——— 2 ——— 3 ——— 4 ——— 5 ——— 6 ——— 7 ——— 8 ——— 9		

B. COMMENTS REGARDING OVERALL PERFORMANCE

C. EMPLOYEE GUIDELINES -- PERFORMANCE PLAN AND APPRAISAL REPORT

1. Employee should review his/her employee organization's Memorandum of Understanding with the City and County of San Francisco for information that may add to or modify the following list of guidelines.
2. Employee has the right to read the Performance Plan and Appraisal Report.
3. Employee has the right to receive a copy of the Performance Plan and Appraisal Report.
4. Employee has the right to discuss the report with the Reporting Supervisor or Manager.
5. Employee has the right to attach a rebuttal to the Performance Appraisal Plan and Report. Unless otherwise provided in the collective bargaining agreement that applies to the employee's Job Code, the rebuttal must be presented within 5 working days of the report date. The rebuttal should only address the items presented in the report. The 5 days may be extended at the discretion of the Reviewer for up to 30 days.
6. Employee has the right to a conference, if requested, with the Reviewer (Reporter's supervisor or manager).

VII. SIGNATURE PAGE

PERFORMANCE PLAN

A. Plan Sign-Off Meeting

1. SUPERVISOR SIGNATURE	2. EMPLOYEE SIGNATURE	3. MEETING DATE
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B. Mid-Period Performance Review Meeting

1. SUPERVISOR SIGNATURE	2. EMPLOYEE SIGNATURE	3. MEETING DATE
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PERFORMANCE APPRAISAL REPORT

C. Reporting Supervisor/Manager

1. NAME, WORK ADDRESS	2. JOB CODE NUMBER AND TITLE	3. DATE OF REPORT
		4. SIGNATURE

D. Employee's Statement

1. <input type="radio"/> I AGREE WITH THIS REPORT <input type="radio"/> I DO NOT AGREE WITH THIS REPORT: SECT. _____ NO. _____ <input type="radio"/> I REQUEST A CONFERENCE WITH THE REVIEWER <input type="radio"/> I HAVE ATTACHED A REBUTTAL	2. CONFERENCE DATE
	3. SIGNATURE CERTIFIES I HAVE READ THE REPORT
	<input type="radio"/> DECLINED TO SIGN DATE _____

E. Reviewer's Certification

1. NAME, WORK ADDRESS	2. JOB CODE NUMBER AND TITLE	3. DATE OF CONFERENCE/INITIALS OF THOSE PRESENT <input type="radio"/> Not Applicable
	4. DATE OF REVIEW	
5. <input type="radio"/> I CERTIFY THAT I HAVE REVIEWED THIS REPORT.		6. SIGNATURE

TOOLS FOR COMPLETING THE FORM USING MICROSOFT WORD.

1. The following symbol can be copied over the blank box when you want to mark it with a check ☐ or ☒.

2. The following symbol can be copied over the number when you want to mark it:

① ② ③ ④ ⑤ ⑥ ⑦ ⑧ ⑨

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco
Special Meeting of September 21, 2005

Subject:	Resolution making emergency findings, ratifying Executive Director's 30-day extension of refuse collection contract, and authorizing an additional extension of such contract with Golden Gate Disposal & Recycling Company to January 31, 2006.	Item No. 9
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Contact/Phone: Tony Hall, Executive Director
274-0660

BACKGROUND

The current contract with Golden Gate Disposal & Recycling Company ("Golden Gate") for refuse collection services expired on September 1, 2005. In order to ensure that refuse continues to be collected in a manner consistent with the health and safety of the inhabitants of the Base, the Executive Director declared an emergency and with the consent of the Golden Gate executed an amendment to the contract with Golden Gate to extend the term for 30-days under the same terms and conditions of the existing contract. This extension will expire on September 30, 2005.

Staff is completing preparations for a competitive process to secure refuse collection services for Treasure Island in accord with TIDA Rules and Procedures governing the Purchase of Goods and Services by the Authority. Staff will need additional time to complete the competitive solicitation for such services. Staff anticipates completing the competitive solicitation process by January 31, 2006. In the meantime, Golden Gate is willing to extend its services to the Authority through January 31, 2006, under the same terms and conditions of the current contract.

RECOMMENDATION

Staff recommends Board approval of the extensions to ensure that the 3,000+ residents of Treasure Island continue to receive refuse collection and disposal services through January 31, 2006. This will assure that household refuse from such residents and the refuse from the commercial and office tenants and occupants (including food and other bio-waste products) will not accumulate, potentially attracting pests and causing other health and safety concerns for all occupants and users of Treasure Island and Yerba Buena Island.

EXHIBITS:

- A Second Amendment to Refuse Collection Agreement between TIDA and Golden Gate Disposal and Recycling

1 **[Ratifying 30-day extension and approving an extension of contract for Refuse**
2 **Collection Services at Treasure Island to January 31, 2006]**
3 **Making emergency findings, ratifying Executive Director's 30-day extension of refuse**
4 **collection contract, and authorizing an additional extension of such contract with**
5 **Golden Gate Disposal & Recycling Company to January 31, 2006.**

6 WHEREAS, Former Naval Station Treasure Island is a military base located on
7 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
8 the United States of America ("the Federal Government"); and,

9 WHEREAS, Treasure Island was selected for closure and disposition by the Base.
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
13 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
14 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
15 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
16 conversion of the Base for the public interest, convenience, welfare and common benefit of
17 the inhabitants of the City and County of San Francisco; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
19 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
20 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the
21 Authority as a redevelopment agency under California redevelopment law with authority over
22 the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those
23 portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority
24 to administer the public trust for commerce, navigation and fisheries as to such property; and,

25 *////*

1 WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the
2 Authority, acting by and through its Board of Directors (the "Board"), has the power, subject to
3 applicable laws, to enter into agreements or contracts for the procurement of goods and
4 services related to the activities and purposes of the Authority; and,

5 WHEREAS, On March 11, 1998, the Board passed Authority Resolution No. 98-09-
6 3/11, adopting and approving the Rules and Procedures Governing the Purchase of Goods
7 and Services (the "Purchasing Rules") by the Authority; and,

8 WHEREAS, The Purchasing Rules require that except under certain conditions, all
9 purchasing transactions be conducted in a manner that provides maximum open and free
10 competition consistent with the Purchasing Rules; and,

11 WHEREAS, The current contract with Golden Gate Disposal & Recycling Company
12 ("Golden Gate") for refuse collection services was scheduled to expire on September 1, 2005,
13 and in order to ensure that refuse continued to be collected in a manner consistent with the
14 health and safety of the inhabitants of the Base, the Executive Director declared an
15 emergency and executed an amendment to the contract with Golden Gate to extend its term
16 for 30-days under the same terms and conditions of the existing contract; and,

17 WHEREAS, Staff has prepared a request for qualifications for refuse collection
18 services in accordance with the Purchasing Rules but will need additional time to complete
19 the competitive solicitation for such services; and,

20 WHEREAS, Golden Gate is willing to further extend its contract to January 31, 2006
21 under the same terms and conditions of the existing contract to allow the Authority to
22 complete its competitive solicitation process; now therefore be it

23 RESOLVED, That the Authority hereby finds and determines as follows:

24 1. The contract with Golden Gate was approved by the Board on August 18, 1999 by
25 Resolution No. 99-28-8/18.

1 2. The contract would have expired on September 1, 2005 unless extended.

2 3. Because this Board did not meet during the month of August, 2005, and its next
3 meeting following the month of August is September 14, 2005, the Executive Director
4 declared an emergency and extended the contract for 30-days.

5 4. The Purchasing Rules require competitive solicitation of contracts except under
6 certain limited conditions.

7 5. The Authority will need until January 31, 2006 to complete competitive solicitation
8 for refuse collection services, and Golden Gate has indicated its willingness to further extend
9 its contract until January 31, 2006 under the same terms and conditions of its existing
10 contract.

11 6. If the contract is not extended, refuse collection and disposal for the approximately
12 3,000 residents and occupants of Treasure Island and Yerba Buena Island (including the
13 Authority's offices) will stop on October 1, 2005, and the household refuse from such
14 residents and the refuse from the commercial and office tenants and occupants (including
15 food and other bio-waste products) will accumulate, potentially attracting pests and causing
16 other health and safety concerns for all occupants and users of Treasure Island and Yerba
17 Buena Island.

18 FURTHER RESOLVED, That the Authority hereby ratifies the Executive Director's
19 actions in extending the current contract with Golden Gate for 30-days.

20 FURTHER RESOLVED, That notwithstanding the requirements of the Purchasing
21 Rules, the Authority hereby authorizes the Executive Director to enter into an additional
22 amendment to the contract with Golden Gate to further extend the term of the contract to
23 January 31, 2006 under the same terms and conditions of the current contract. The form of
24 such additional amendment shall be in substantially the form attached hereto as Exhibit A.

25 ////

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on September 21, 2005.

Susan Po-Rufino, Secretary



RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

SECOND AMENDMENT TO REFUSE COLLECTION AGREEMENT

THIS SECOND AMENDMENT TO REFUSE COLLECTION AGREEMENT (this "Amendment") is made as of first day of October, 2005, in San Francisco, California, by and between the **Golden Gate Disposal & Recycling Company**, a California corporation ("Golden Gate" or "Contractor"), and the **Treasure Island Development Authority**, a public body corporate and politic (the "Authority").

RECITALS

WHEREAS, Authority and Contractor have entered into that certain Refuse Collection Agreement dated September 1, 2002 (hereafter, the "Agreement"); and

WHEREAS, on August 25, 2005, Executive Director and Contractor agreed to amend the Agreement (hereafter, the 1st Amendment) to extend the term of the Agreement to September 30, 2005, and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. Modifications to the Agreement. The Agreement is hereby modified as follows:

(a) Section 5. Section 5 of the Agreement currently reads as follows:

Unless further extended in writing authorized by the Authority's Board of Directors, this Contract shall expire on September 30, 2005. Any extension shall be on the same terms, conditions, and specifications as the original Contract, except as provided for herein.

Such section is hereby amended in its entirety to read as follows:

Unless further extended in writing authorized by the Authority's Board of Directors, this Contract shall expire on January 31, 2006. Any extension shall be on the same terms, conditions, and specifications as the original Contract, except as provided for herein.

2. Effective Date. Each of the modifications set forth in Section 1 shall be effective on and after October 1, 2005.

3. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

**Treasure Island Development
Authority, a public body corporate
and politic**

By _____
Tony Hall
Executive Director

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No: 10

Meeting Date: September 21, 2005

Subject: Authorizing the Disbursement of EDA Grant and Other Funds Totaling an Amount Not to Exceed \$337,500.00 to the Department of Public Works of the City and County of San Francisco to Pay for Geotechnical and Other Civil and Structural Engineering Services to Study the Design and Seismic Strengthening of the Treasure Island Causeway (Action Item)

Staff Contact: Jack Sylvan, Mayor's Office of Base Reuse and Development

BACKGROUND

The Treasure Island Causeway (Causeway), a man-made landfill connection between Treasure Island and Yerba Buena Island, is an integral infrastructure, transportation and emergency service link between the two islands and the Bay Bridge and developing plans to ensure its safety and reliability in the event of a seismic event are necessary elements of the planning and development process. Consequently, in January 2001, the Treasure Island Development Authority (Authority) submitted a grant application to the U.S. Economic Development Administration (EDA) in the amount of \$202,500 for activities related to the planning and seismic strengthening of the Causeway. The EDA awarded the grant to the Authority that same year. Authority staff later requested an extension of the grant through December 31, 2003, which was approved. The Authority and Mayor's Office have been in communication with the EDA staff since that time.

Mayor's Office staff, working with the Authority and Treasure Island Community Development (TICD), have partnered with the Department of Public Works (DPW) to select qualified consultants that are part of a pre-qualified pool of teams that provide structural, civil, and geotechnical engineering services. Robert Chew Geotechnical will provide the geotechnical evaluation and will work with Biggs Cardoza, who will provide the civil/structural engineering consulting services. Each of these firms are part of an as-needed pool of contractors to DPW that were selected through a competitive solicitation process. The contracts will be between DPW and the consultants and will be funded through a combination of federal EDA grant funds and the required local match (discussed below). Billing rates for these contracts have been pre-negotiated by DPW as part of the competitive selection process. Both firms are qualified Minority Business Enterprises and local San Francisco firms.

Scope of Work and Estimated Budget

Mayor's Office staff have worked with DPW, Authority staff, and TICD's consultants (Korve Engineering and Treadwell and Rollo) to develop the scope of work with the consultant team.

In initial consultations with the engineering teams, it was determined that the analysis should also include the elevated Yerba Buena Viaduct (Viaduct) structure on the steep western slope of Yerba Buena Island over which Treasure Island Road passes and which serves as the primary link between the Causeway and Yerba Buena Island and the Bay Bridge. The Viaduct structure includes several bridges and retaining walls and has been subject to landslide failure as recently as 1996. For the purposes of this study, both the Causeway and Viaduct are considered the key structures connecting Treasure Island to Yerba Buena Island and the Bay Bridge. Staff has received authorization from the EDA to include analysis of this structure with the EDA grant funds. The scope of work will consist of the following tasks.

Task 1: Causeway Investigation – An in-depth geotechnical evaluation of the Causeway will be conducted, including reviews of existing information, subsurface explorations, and topographic and bathymetric surveys.

Task 2: Viaduct Investigation – A geotechnical evaluation of the subsurface conditions supporting the Viaduct structure will be conducted, including review of historic soil conditions, preliminary geologic mapping and seismic refraction survey. In addition, an evaluation of the static and seismic adequacy of the Viaduct structure will be conducted, including developing preliminary demand/capacity ratios, displacement ductility evaluation, and identification of bridge elements requiring retrofit.

Task 3: Vulnerability Study Report – A vulnerability study report will be prepared that outlines for each structure recommendations for retrofit concepts/alternatives and preliminary cost estimates for the alternatives.

Mayor's Office staff, with assistance from Authority and DPW staff, will manage the consultant team. The consultant team will work in collaboration with TICD's engineering consultants to ensure appropriate interface with infrastructure planning for portions of the islands connected to and relying upon the Causeway and Viaduct structures.

Budget/Funds

The EDA provides \$202,500 in federal funds for the grant and the grant terms require a 40% local match, or \$135,000, for a total contract amount of \$337,500. The local match funds will be provided by the Authority to DPW and can be recaptured by the Authority through the reimbursement mechanism with TICD via the Exclusive Negotiating Agreement. The contracts with Robert Chew Geotechnical and Biggs Cardosa will be directly with DPW.

RECOMMENDATION

Staff recommends authorization to disburse both the federal grant funds in the amount of \$202,500 and the required local match in the amount of \$135,000 to DPW for administration of the Causeway and Viaduct seismic evaluation.

1 [Authorizing Disbursement of Funds to City's Department of Public Works for Causeway
2 Study.]

3 **Authorizing the Disbursement of EDA Grant and Other Funds Totaling an Amount**
4 **Not to Exceed \$337,500.00 to the Department of Public Works of the City and**
5 **County of San Francisco to Pay for Geotechnical and Other Civil and Structural**
6 **Engineering Services to Study the Design and Seismic Strengthening of the**
7 **Treasure Island Causeway.**

8 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No.
9 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit
10 public benefit corporation known as the Treasure Island Development Authority (the
11 "Authority") to act as a single entity focused on the planning, redevelopment,
12 reconstruction, rehabilitation, reuse and conversion of the Base for the public interest,
13 convenience, welfare and common benefit of the inhabitants of the City and County of
14 San Francisco; and,

15 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
16 Section 33492.5 of the California Health and Safety Code, and added Section 2.1 to
17 Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i)
18 designated the Authority as a redevelopment agency under California Redevelopment
19 Law with authority over the redevelopment of the Treasure Island Naval Station (the
20 "Base") upon approval of the City's Board of Supervisors, and (ii) with respect to those
21 portions of the Base which are subject to the Tidelands Trust, vested in the Authority the
22 power to administer the public trust for commerce, navigation and fisheries as to such
23 property; and

24 WHEREAS, The Board of Supervisors approved the designation of the Authority
25 as a redevelopment agency for Treasure Island in 1997; and,

1 WHEREAS, In January 2001, the Authority submitted a grant application to the
2 U.S. Economic Development Administration (EDA) in the amount of \$202,500 for
3 activities related to the planning and seismic strengthening of the Treasure Island
4 Causeway (the "Causeway"), and later that year, the EDA awarded a grant for that
5 amount to the Authority; and,

6 WHEREAS, The Department of Public Works ("DPW") for the City maintains a
7 pool of qualified, competitively selected consultants that provide structural, civil, and
8 geotechnical engineering services on an as-needed basis, and staff has worked with
9 DPW to select from DPW's pool (i) Robert Chew Geotechnical to provide the
10 geotechnical evaluation, and (ii) Biggs Cardoza to provide the civil/structural consulting
11 services in connection with the planning and seismic strengthening of the Causeway;
12 and,

13 WHEREAS, While the contracts with the above named consultants will be
14 between the City (acting by and through DPW) and the contractors, staff of the Mayor's
15 Office of Base Reuse and Development and the Authority will work with DPW to
16 manage those contracts to ensure appropriate interfacing with the Treasure Island
17 Community Development's (TICD's) engineering consultants to facilitate infrastructure
18 planning for portions of the islands connected to the Causeway; and

19 WHEREAS, The Authority will disburse funds to DPW in an amount not to
20 exceed \$337,500 for such services, and the funds will come from a combination of
21 \$202,500 in EDA Grant funds and a 40% local match (\$135,000) required as a condition
22 of the EDA Grant. The Authority will provide the local matching funds and recapture
23 such funds from TICD as part of the Authority's transaction costs under its Exclusive
24 Negotiating Agreement with TICD; now therefore be it

25 //

FURTHER RESOLVED, That the Authority hereby declares its intent to recapture the \$135,000 in local matching funds as a transaction cost pursuant to the Exclusive Negotiating Agreement between the Authority and TICD.

Susan Po-Rufino, Secretary

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item Nos. 11 & 12

September 14, 2005

Subject: Resolution Directing Staff to Create a Draft Request for Qualifications for Design and Standard Internet Service Provider Services for an Independently Hosted Treasure Island Development Authority Website

Resolution Directing Staff to Formulate Criteria Necessary for Selection of an Internet Service Provider and Website Design Contractor for the Purposes of Redesigning the Treasure Island Development Authority Website

Staff Contact/Phone: Peter Summerville
(415) 274-0660

SUMMARY OF PROPOSED ACTION:

This item seeks Board direction on the desired method of selection of a web design contractor and additionally a potential outside Internet Service Provider for the purpose of re-naming and redesigning the Treasure Island Development Authority website to improve ease of public access to the information contained on the site.

BACKGROUND:

Per a request from Board President Cheng, this staff summary provides information and background on the current status of the TIDA website, as well as information pertinent to issues surrounding acquisition of a new domain address for the TIDA website.

This report was prepared in response to President Cheng's concern that access to the TIDA website by the general public is handicapped by the fact that TIDA's domain address is not agency-specific or intuitive enough to enable the general public to navigate to the site via Internet search engines such as Yahoo and Google.

As a result, this report examines the various costs and components to be considered should TIDA wish to change the domain address for its website to an address personalized to the Authority which would enable increased ease of access by the general public to TIDA documents and information.

Attached to the end of this report are brief case-studies of local government agencies that have independent domain addresses in order to provide the Board specific examples of various City agencies that already possess an Agency-specific domain address.

CURRENT TIDA WEBSITE

Hosting and Website Design

The Treasure Island Development Authority's current Internet Service Provider (ISP), or website "host", is the City's Department of Telecommunication and Information Services (DTIS). DTIS provides TIDA the domain address for TIDA's website (<http://www.sfgov.org/treasureisland>) which allows the general public access to the site from any Internet browser application (MS Internet Explorer, Mozilla, etc.).

As the ISP for the TIDA website, DTIS also provides web-server memory storage space which stores all content posted on the site, including files such as JPG picture files and PDF files, as well as the bandwidth which allows the TIDA site to transmit information, such as development documents, from the site to the public via the Internet. This web server storage space and bandwidth are standard services provided by any ISP in support of hosting a website.

Graphic design of the TIDA site and content updating on the site are tasks both currently performed by TIDA staff on a Microsoft Word-based desktop application (Ecktron Content Management 2000) provided by DTIS, with DTIS staff providing as-needed technical programming and design assistance involving any major restructuring of the website.

TIDA expenditures to DTIS for website services in FY04-05:

1. Domain registration (for "sfgov.org/treasureisland" address): No charge by DTIS
2. Hosting of TIDA site: No charge by DTIS
3. Content management/updating and design of site: No charge by DTIS, only expenditure of TIDA staff time

Current function of TIDA website:

Based on usage data compiled from the beginning of calendar year '05 (Exhibit A) the most visited pages on the TIDA website were the pages featuring special events venues available for rental and public information about Treasure Island. The TIDA website also currently stores master development and environmental remediation documents and information and general public information about current on-Island activities as well as the Island's history.

Anticipated forward-looking function of TIDA website:

With activity increasing on the transfer and redevelopment of the Islands and a renewed focus placed on interim reuse of the on-Island facilities, staff believes looking forward that the 2 main purposes of the TIDA website should be:

- 1.) Provide ease of access to public documents and information regarding the transfer and redevelopment of Treasure and Yerba Buena Island

2.) Increase promotion and marketing of TIDA's revenue-generating resources, specifically its events venue, commercial and residential leasing programs.

COMPONENTS OF POTENTIAL NEW WEBSITE

Registration of a domain address:

Because TIDA's domain address is provided by DTIS, its address must conform to DTIS's standard domain-assignment system, which is the www.sfgov.org/departmentname address common to most City Department's websites. As a result there is not much opportunity provided to Departments for personalization or agency-specific branding of the domain address.

Should an agency wish to have a domain address more unique to its mission, it is the responsibility of that individual agency to purchase and register its unique domain. There is a precedent of several City Departments, including the Arts Commission (www.sfgovartscommission.com) and the Department of the Environment (www.sfenvironment.com), having already taken this step.

General industry pricing for domain registration:

Domain registration charges generally are priced based on a "sliding-scale" formula whereby the cost per year depends on period of time the domain name is purchased for.

3 year period: Approximately \$75 @ \$25 per year

5 year period: Approximately \$100 @ \$20 per year

Internet Service Provider/Site Hosting:

After securing a unique domain name, the Authority can seek an outside host, also known as an Internet Service Provider (ISP), or choose to keep its site hosted by DTIS. This decision is totally at the discretion of the individual agency. Some City departments with their own domain, including the Arts Commission, have their sites hosted on an outside ISP and others, such as the Department of Animal Care and Control (www.petprideday.com) and the Port of San Francisco (www.sfport.com) remain hosted by DTIS. Sites with outside domain registration which still are hosted by DTIS must still conform to the standard design template for DTIS hosted sites (Exhibit B).

As mentioned earlier, an ISP provides server space for content on a website and bandwidth for transmittal of information, including downloading of information, to and from the site. This bandwidth is most important when people are accessing and downloading files from a website and the larger the bandwidth the faster this information flows. Selection of an outside ISP should take into consideration reliability of service and ability to retain and keep secure the information held on its servers.

General industry pricing for site hosting:

Pricing for an outside ISP varies based on the amount of server space needed and the size of bandwidth provided by the ISP.

Hosting costs range anywhere between \$50 and \$250 a month based on client needs

Design:

A website hosted by DTIS must conform to the standard DTIS web page template (Exhibit B), whereas outside ISP hosting of a site allows for total artistic freedom in the look and feel of the site. Should TIDA decide to switch to an outside host, it would only be natural to reassess the design, navigation and features of the current site in order to maximize the public accessibility, ease of use and navigation and success in achieving the intended goals of the new site.

Options for design of website:

As mentioned earlier, TIDA staff currently performs most design and content management work on the site, and acquisition of a professional website design and content management software (such as Microsoft Dreamweaver) and proper staff training on this program would allow this work to remain in-house should the TIDA site go independent.

The second option for redesign is contracting with a professional design firm who would work with staff on all areas of design and restructuring as well as provide as-needed content updates on the site and technical support should something go wrong. Most web design firms also offer ISP hosting, through a third party, as part of their package of services.

General industry pricing for web design services:

Pricing for a web-design contractor would differ based on the needs of TIDA as a client in relation to a potential design firm, how quickly that design firm is capable of creating and implementing a new site and how labor intensive design of the new site would be for the designer.

It should be emphasized that of the three components of an independent site up for consideration (hosting, domain & design) the design component is the one with the most potential fluctuation of cost. Most of firms charge clients on an hourly basis. Basic discussions with website design professionals indicate that the cost for most contracts are client-specific based on the needs of the client and the time and resources it takes to achieve these goals on their website.

RECOMMENDATION

Staff recommends that a website design contractor be selected through an RFQ process based on the firm or individual's artistic & technological capabilities and familiarity

working with governmental agencies such as TIDA. Once this designer is selected, staff can then work with the designer to implement the specific redesign and interactive features of the new site while also incorporating any artistic or content-oriented directives provided by the Authority Board.

EXHIBITS

Exhibit A: TIDA Web page usage data

Exhibit B: DTIS-hosted website design template

Exhibit C: Examples of Local Agencies with Independent Domain Addresses

[Directing Preparation of a Request for Qualification for Web Design and Internet Service Provider Services]
Resolution Directing Staff to Create a Draft Request for Qualifications for Design and Standard Internet Service Provider Services for an Independently Hosted Treasure Island Development Authority Website.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base. Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

////

1 WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the
2 Authority, acting by and through its Board of Directors (the "Board"), has the power, subject to
3 applicable laws, to enter into agreements or contracts for the procurement of goods and
4 services related to the activities and purposes of the Authority; and,

5 WHEREAS, the Authority is responsible for public dissemination of information relating
6 to its role as the reuse authority for former Naval Station Treasure Island; and

7 WHEREAS, the website of the Authority is a convenient and accessible method of
8 informing the public about the transfer and reuse of former Naval Station Treasure Island; and

9 WHEREAS, the Authority wishes to improve the accessibility to information contained
10 on this website in order to ensure that the public is provided ample opportunity to access this
11 information in a convenient and effective manner; now therefore be it

12 RESOLVED, That the Authority hereby directs staff to prepare a Draft Request for
13 Qualifications for the provision of web site design and Internet Service Provider services in
14 support of the creation of an independently hosted and maintained web site for the Authority;
15 and therefore be it

16 FURTHER RESOLVED, that staff shall return to the Authority for approval of the
17 Request for Qualifications document prior to its issuance to the public for response.

18 CERTIFICATE OF SECRETARY

19 *I hereby certify that I am the duly elected and acting Secretary of the Treasure*
20 *Island Development Authority, a California nonprofit public benefit corporation, and*
21 *that the above Resolution was duly adopted and approved by the Board of Directors of*
22 *the Authority at a properly noticed special meeting on September 21, 2005.*

23
24
25

Susan Po-Rufino, Secretary



RECYCLED PAPER MADE FROM 25% POST CONSUMER CONTENT

Filters: This page shows hits on /treasureisland/ (edit remove)

1 Jan 2005 - 15 Sep 2005 >

This view shows the traffic on each page and file of the site. (more...)

> Start Again

Calendar

Overview

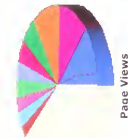
Graphs of traffic over time

Top days

Top years/months/days

Top pages

Top pages/directories



Page Views

	Page or directory	Page views	Page views bar
1	/treasureisland/Special_Events	64,637	
2	/treasureisland/Leisure	56,869	
3	/treasureisland/Special_Events/Casa de la Vista	54,425	
4	/treasureisland/Wisting_Treasure_Island	31,738	
5	/treasureisland/Special_Events/Booking	22,977	
6	/treasureisland/Home_Page	17,835	
7	/treasureisland/History	17,376	
8	/treasureisland/Redevelopment	16,138	
9	/treasureisland/Special_Events/Building_One_Lobby	14,984	
10	/treasureisland/Special_Events/Great_Lawn	13,197	
	323 other items	199,336	
	Total	509,512	

more rows | fewer rows | 10 rows | all rows | export table | export all

Options:

Sort: by page views

These statistics were generated using Sawmill 6.4.1,
Copyright © 2003 by Flowerfire.

bookmark

Configuration: sfgov2005

Log Out

Filters: This page shows hits 01/Jan/2004 - 31/Dec/2004, on/treasureisland/ (edit remove)

1 ▾ Jan ▾ 2004 ▾ - 31 ▾ Dec ▾ 2004 ▾ >

This view shows an overview of the statistics. (more...)

> Start Again

Calendar

Overview

Graphs of traffic over time

Top days

Top years/months/days

Top pages

Top pages/directories

*These statistics are for the **filtered** data (see Filters, above). Click any button at the left (including red ones) for further detailed breakdown of this filtered data.*

Total page views: 851,130
Total visitors: - 0
Starting day: 01/Jan/2004
Ending day: 31/Dec/2004
Total days covered: 366
Average page views per day: 2,325
Average visitors per day: 418

These totals depend on the Filters, which are shown at the top of this and every other statistics page. The Filters let you view only part of your data, for instance to zoom in on a particular day, or a particular page. To change the Filters, click the "edit" link in the Filters section above, or use the calendar view.

The list at the left shows the available views of the statistics. All of these views are based on the same data (the data described by the Filters), but each view breaks down the statistics differently. Click any view name to show that view. You can return to this page at any time by clicking "Overview."

Options: ▾

These statistics were generated using Sawmill 6.4.1,
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bookmark

Configuration: sfgov2004

Log Out

Filters: This page shows hits 01/Jan/2003 - 31/Dec/2003, on /treasureisland/ (edit remove)

1 ▾ Jan ▾ 2003 ▾ - 31 ▾ Dec ▾ 2003 ▾ >

This view shows an overview of the statistics. (more...)

> **Start Again**

Calendar

Overview

Graphs of traffic over time

Top days

Top years/months/days

Top pages

Top pages/directories

Total page views:

581,123

Total visitors:

- 0

Starting day:

01/Jan/2003

Ending day:

31/Dec/2003

Total days covered:

365

Average page views per day:

1,592

Average visitors per day:

331

These totals depend on the Filters, which are shown at the top of this and every other statistics page. The Filters let you view only part of your data, for instance to zoom in on a particular day, or a particular page. To change the Filters, click the "edit" link in the Filters section above, or use the calendar view.

The list at the left shows the available views of the statistics. All of these views are based on the same data (the data described by the Filters), but each view breaks down the statistics differently. Click any view name to show that view. You can return to this page at any time by clicking "Overview."

Options:



These statistics were generated using Sawmill 6.4.1,
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bookmark

Configuration: sigov2004

Log Out



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San Francisco Municipal Transit Agency (MUNI)

Background: High traffic site with majority of public interaction focused on information for bus schedules, route changes, etc. High bandwidth and consistent content updating necessary.

Hosting: Site hosted by outside Internet Service Provider (ISP), Verios, Inc.

Domain: (www.sfmuni.com) Purchased by MUNI from outside domain registration vendor.

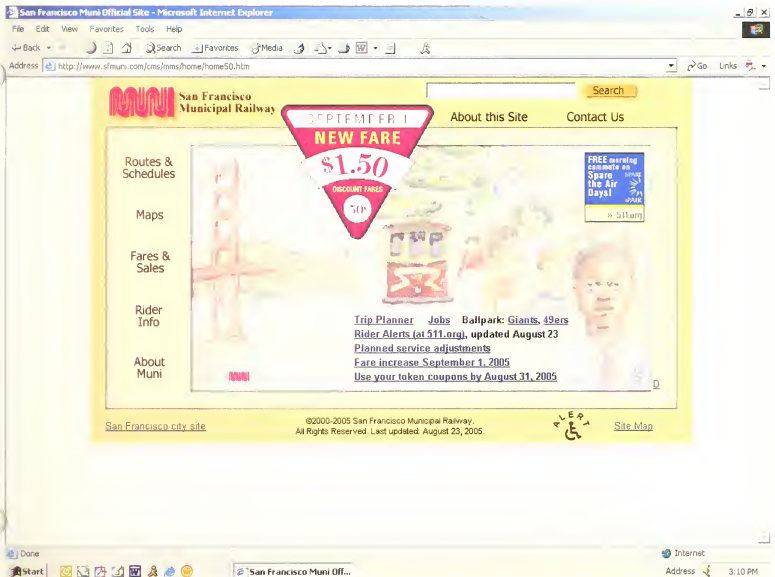
Content Management & Design Services: Day-to-day tasks performed by MUNI staff using design (Microsoft Dreamweaver) and data-management (Macromedia Contribute) software. The background mural art on the MUNI website was created by local artist via commission from MUNI

Costs:

Hosting: Approx. \$250/month

Domain: 10 year term at standard domain registry pricing

Design/Content: Employee time/salary (unavailable)



Water Transit Authority (WTA)

Background: Site provides ferry routes and schedules, WTA and water transit- related publications and public meetings and notice information for WTA Board meetings.

Hosting: Site hosted by outside ISP (Association of Bay Area Governments - ABAG)

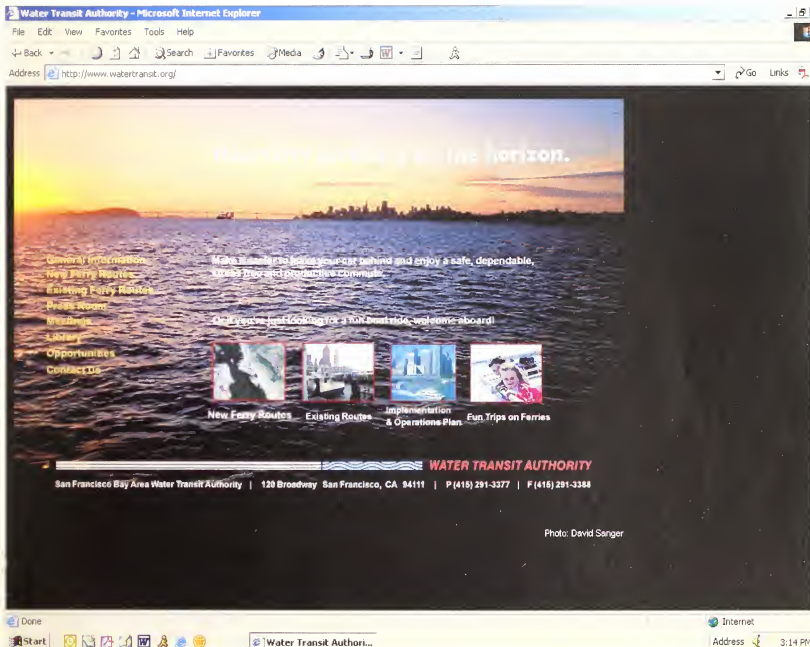
Domain: (www.watertransit.org) Purchased by WTA through ISP (ABAG)

Content Management & Design Services: Site design and content management performed by ABAG with direction from and in coordination with WTA staff.

Costs:

Domain/Hosting: \$60/month plus one-time \$120 start-up fee

Design: \$50/hour



San Francisco Department of the Environment (DOE)

Background: Site provides public with a wide variety of informative services and public information pertaining to the various aspects of the mission of the Department of the Environment. Site also provides public information regarding Commission on the Environment public meetings and DOE press releases and fact sheets.

Domain: (www.sfenvironment.com) Purchased by DOE from outside domain registration vendor (Network Solutions).

Hosting/Content Management & Design Services: The City's Department of Reproduction and Mail Services provides design and content management services for the DOE website. As part of this contract, Reproduction and Mail Services also coordinates outside hosting for DOE's website through a third-party ISP.

Costs:

Domain: \$75/3 years

Hosting: \$50/month

Design/Content update: Costs vary depending on need

[Directing Formulation of Criteria for Web Design and Internet Service Provider Services]

Resolution Directing Staff to Formulate Criteria Necessary for Selection of an Internet Service Provider and Website Design Contractor for the Purposes of Redesigning the Treasure Island Development Authority Website.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base. Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

////

1 WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the
2 Authority, acting by and through its Board of Directors (the "Board"), has the poser, subject to
3 applicable laws, to enter into agreements or contracts for the procurement of goods and
4 services related to the activities and purposes of the Authority; and,

5 WHEREAS, the Authority is responsible for public dissemination of information relating
6 to its role as the reuse authority for former Naval Station Treasure Island; and

7 WHEREAS, the website of the Authority is a convenient and accessible method of
8 informing the public about the transfer and reuse of former Naval Station Treasure Island; and

9 WHEREAS, the Authority wishes to improve the accessibility to information contained
10 on this website in order to ensure that the public is provided ample opportunity to access this
11 information in a convenient and effective manner; now therefore be it

12 RESOLVED, That the Authority hereby directs staff to prepare criteria necessary for
13 the selection, based on the guidelines set forth in the Authority Purchasing Policy, of a
14 qualified Internet Service Provider and web design contractor; and therefore be it

15 FURTHER RESOLVED, that staff shall provide this prepared criteria to the Authority for
16 review prior to solicitation of quotes for these services.

17 18 **CERTIFICATE OF SECRETARY**

19 *I hereby certify that I am the duly elected and acting Secretary of the Treasure*
20 *Island Development Authority, a California nonprofit public benefit corporation, and*
21 *that the above Resolution was duly adopted and approved by the Board of Directors of*
22 *the Authority at a properly noticed special meeting on September 21, 2005.*

23
24
25

Susan Po-Rufino, Secretary



TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0860 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

Draft Minutes of Special Meeting
Treasure Island Development Authority
September 21, 2005

City Hall, Room 416
1 Carlton B. Goodlett Place
San Francisco, CA

DOCUMENTS DEPT.

OCT - 7 2005

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1. **Call to Order:** 1:10 PM

Roll Call Present: Claudine Cheng (Chair)
Susan Po-Ruffino (Vice-Chair)
Jesse Blout
Jared Blumenfeld
Matthew Franklin
Marcia Rosen

Excused: John Elberling
Supervisor Chris Daly

Director Cheng requested staff and Directors consideration and urged refraining from making ad-homenum and personal remarks in the course of discussion throughout the meeting and that everyone focus on discussing the subject matter and programs. Stated she respects everyone's freedom of opinion however unless someone is 100% sure the opinion or position being communicated, especially to the press, reflects the resolution or direction explicitly expressed by the Authority as a whole that those comments should be made as a "concerned citizen" or individual and not as a member of the Board or as employees working for the Authority.

Director Blumenfeld stated that the communication coming from TIDA, be it staff or Directors, are done in a coordinated and cohesive fashion. Requested a clear communications policy to articulate who is speaking for TIDA as a Board and who needs to be notified when communications are made to the press or made as being representative of the TIDA Board. Suggested that the Board president take the responsibility of developing these protocols. Currently this is a point of confusion and clear lines of communication need to be developed. Would like this calendared for the next meeting.

Director Cheng requested that Items 9 and 10 be heard immediately after Item 4.

2. Executive Director's Report

Mr. Tony Hall, TIDA Executive Director, provided the Executive Director's Report.

+ A year extension of the Cooperative Agreement between TIDA and the Navy was recently signed extending through October 1, 2006.

+ Treasure Island Community Day Festival will be held on October 22, 2005 on the Great Lawn, invited all Directors to attend, promises to be a fun time for all.

+ Stated at the last meeting he rebutted allegations made by a letter from the Controller's Office. Stated that he believes this has turned out to be a malicious attempt to tarnish the reputation of he and his staff because of his opposition to a 30 month extension of the ENA with TIDC. Provided documents which prove that (1) the establishment of a third-party escrow account to handle money that does not belong to TIDA was recommended by Director Blout in his capacity as a staff member of the Mayor's Office and ratified by the City Attorney's Office and approved by the TIDA Board, (2) showing that the Controller's Office and the Mayor's Office approved and transferred funds into those accounts, (3) documents that show the Controller's Office is the only office that can authorize the release of funds in any and all of these escrow accounts (4) documents that show that Harvey Rose Accountancy Corporation recommended setting up escrow accounts be set up to establish handling other people money. Stated the TIDA Board was aware of this when reviewing the Harvey Rose audit recommendations. Provided documents showing that staff and he has done everything with the established policies and procedures and in accordance with the resolutions and bylaws approved by the TIDA Board. Stated a letter he received from the City Attorney on September 15th that mentions "the investment of TIDA funds". Stated TIDA funds are generated by activities pursuant to the Tidelands Trust and redevelopment, these funds under questions are in fact security deposits and rent credits. Stated TIDA is completely protected from these allegations under the policies and procedures of TIDA and that he wants to state again that his staff and he feel that their reputations have been attacked and impugned.

Director Blout asked Executive Director Hall to point out the information Executive Director Hall referred to that indicates that Director Blout had the knowledge of the three certificates of deposit which are purported to have been set up without the knowledge of the Controller. Mr. Hall stated there are emails between Director Blout and TIDA Deputy Director Frank Gallagher, copied to the Mayor's Chief of Staff Steve Kawa and City Attorney Donnell Choy recommending that senior staff and the City Attorney write the final lease with Rent Productions LLC and this lease with Rent specifically talks about a third party account. Stated he was present when Mr. Blout made this recommendation and the Mayor's Office transferred funds into this account with the Controller's approval. Stated he suspects Mr. Blout might have been the leak to the Controllers Office on this issue.

Director Blout requested that the record reflect his belief that Executive Director Hall was making statements contrary to President Cheng's earlier request to refrain from ad-hominem attacks.

Director Cheng requested that Executive Director Hall try to adhere to the subject matter. Knows it is unavoidable sometimes to do so when matters relate to a specific person that is part of the discussion. Requested again that the discussion not be made personal.

Director Blout stated a discussion needs to be had about how to ensure that anonymous sources are protected by proper policies and procedures for responding to these type of "whistleblower" accusations. Stated that the issue raised by the Controller's Office goes to the issue of are TIDA generated funds appropriately tracked and controlled with the full knowledge of the appropriate governing and controlling authorities. Stated that the fact that he, Deputy City Attorney Choy, President Cheng, were all involved in negotiating the Rent lease which led to these terms does not mean that they sanctioned the investment decisions which apparently were made according to the Controller. Stated they negotiated a lease which provided for revenues to be put in a segregated account. The issue is not about provisions in the lease, it is that decisions may have been made with regards to this account that were outside the purview of the Controller and Treasurer's office. Stated the allegations don't explain the other 2 certificates of deposit which relate to presumably other revenue sources of TIDA.

Director Cheng stated that based on a conversation she had with the Controller after this letter was sent, she feels the letter was in the spirit of bringing this issue to the awareness of the TIDA Board. Stated she feels the letter is not leveling allegations per se. From her conversation the Controller is not alleging any wrongdoing or improper premises, he is bringing things to the Boards awareness for their review since these situations may be cause for attention. TIDA CFO John Elberling has requested information from TIDA staff to review this issue. Requested that a review of the investment policies and mechanisms in place for TIDA be reviewed at an upcoming Board meeting.

Director Blumenfeld stated the reason the Controller's letter concerned him is that there is shared responsibility across the Board for everything and thus this relates to all of us. The current tone of the discussion is very much "back and forth". From his perspective the City Attorney and Controller have no political agenda. From the basis of good faith, this is an issue brought to their attention and they need to deal with it in a professional manner in order to regain public trust. Asked that this issue get resolved in a public way and have personalities moved to the side.

Director Rosen asked Deputy City Attorney Choy to provide written response to the Board advising on local and state laws affecting "whistleblowers" and the protections inherent in those laws, which would be used to guide further deliberations on this matter. Requested that any prepared remarks and documents relating to deliberations be provided in advance in order to avoid trying to be attentive to verbal presentations and written documents at the same time. Requested that should Executive Director Hall wants to make comprehensive statements related to review of matters he please do so in a comprehensive and professional way and not via press releases and various forms of random documentation. Asked Deputy City Attorney Choy if he rendered advice that TIDA Resolution 98-06-225 meant that rent credit deposits were not covered by the resolution and not bound by the prudent policies adopted within.

City Attorney Choy stated he had not been asked the question. Stated that the resolutions authorizes the project office's finance director, the Controller and the Treasurer to establish and maintain accounts. Stated that under his September 15th letter he responds to a number of requests from the Board if the Controller's statements, if true, would require Board's approval, and he clearly stated he did not do a factual investigation and did not have all the facts in front of him, but assuming that these statements were true insomuch as a deviation from past practices of deposit of funds, this would require Board approval.

Director Rosen stated that Executive Director Hall has stated that he feels these letters are in response to his taking a strong stand against the approved extension of the ENA. This statement, attributed to Executive Director Hall, was emailed to Directors by Deputy Director Gallagher and then covered in various media outlets. Stated she has been on the Board since July of 2001 and has attended most of the meetings and has not remembered or found in the minutes a reflection of these sentiments or criticism of the ENA extension by Executive Director Hall during meetings. Asked Executive Director Hall when in the past he has provided a statement of concern to the Directors or informed the Mayors Office of Base Reuse about these concerns. Stated she feels it impugns the integrity of the Development Authority to have the Board make a decision only to have the Executive Director make statements contrary to their actions as a Board.

Executive Director Hall stated the ENA has not been before the Board before and that agenda item was moved ahead on the agenda and heard directly after the response of an anonymous letter from the Controller. Stated his comments were made to members of the Mayor's Office negotiating this extension. His concerns are he is against a 30 month extension for underperforming developers. They have not provided all elements of the term sheet, he has been trying to work with TICD and the Mayor's Office to get these term sheet elements from the developer.

Director Rosen requested that closed sessions be calendared should there be issues of concern in the real estate negotiations with the Navy and the master developer.

Director Blumenfeld stated he has no problem with people saying what they want before decisions are made, that is the spirit of open government. Stated that it affects the public trust when comments are made which directly contravene the will of the Authority. Stated once a collective decision is made, the Executive Director's job is to guide and implement these decisions.

Executive Director Hall stated that before the Board made the decision he vocalized his opposition to a 30 month extension, he was referring to the elements of the term sheet which are still outstanding. He voiced this concern for the information of the Directors before they made their decision. Stated his reputation was impugned by the Controller's letter and he feels he has the right to defend his reputation by whatever means possible.

Director Blumenfeld stated that it would be much easier to sit down in the public forum and work through these issues as they come up. Asked that in the future releases and such be made on private letterhead.

Director Franklin stated the most important thing is to not be defensive and point fingers, and instead to be transparent and forthcoming. Stated what needs to be done is to surface the facts and bring in the interested parties. Stated there are two key parts of this ENA discussion, the timeline for the term sheet and the right to terminate. The second part of the contract beyond the term sheet is longer at 24 months, discussion was had about the timeline for the second part of the contract and time needed for surrounding transactional documents and an EIR document. Asked Mr. Cohen to clarify if the Executive Director was consulted on the ENA extension and if the issues concerning the term of the extension were raised by the Executive Director or shared with Mr. Cohen in a formal way that was not shared by the Board.

Mr. Michael Cohen, Mayor's Office of Base Reuse, stated he feels the allegations made by Executive Director Hall directly impact his reputation, he has spent 10 years in government working hard in the public interest and the assertion that negotiations were pursued in any basis other than in the best interest of the people of the City and County of San Francisco are in his opinion unconscionable. Stated there were a number of meetings he held with Mr. Hall to discuss the ENA and multiple drafts of the document circulated, so he believes the notion that this proceeded without his input is not consistent with the facts. The developer originally proposed a five year extension of the ENA, and he and Mr. Hall agreed to the two term strategy. The developer then came back and wanted 24 months in the second term because of the time needed for an EIR. Subsequent discussions over this with Director Hall were had and staff asked for more detailed back-up information from the developer was requested to review this 24 month second term proposal. City Attorney Choy emailed the document in the form that was approved last week asking for additional comment, to his knowledge there was no additional comment at that time.

Mr. Hall stated that for the record he disagrees with a number of the statements that were made.

3. Communications

Director Rosen requested that all letters or statements issued to the Directors or from Directors to the entire Board be included in the communications.

Director Po-Rufino requested that discussion of communications received by the Board be included in the communications protocol item at next month's Board meeting.

4. General Public Comment

Ms. Emily Rappaport asked the Board to consider seriously allowing TIDA to be the employer of record for TIDA employees. Stated it makes sense from a personnel perspective and asked the Board to understand that the Island community supports the staff.

Ms. Becky Richardson, Treasure Island resident, stated it is in the best interest of the residents for the Board to support Tony Hall and TIDA staff. Stated it is disappointing to hear the Board fight over things that should not be fought over. Hopes the Board can show the residents they care about the residents.

Mr. Michael Kopek stated he has watched TIDA be a political football for quite some time. Stated that now that there is a staff in place doing good work all the "rocks and arrows" should stop. Stated he sees a Board that overreaches in detail instead of letting Mr. Hall do his work.

Mr. Tony Boutrín stated he has seen Treasure Island improve from what it used to be. Stated Treasure Island is improving.

Mr. Ed Jew stated he was asked my many Asian families who live on Treasure Island to speak on their behalf. Stated these families are happy to have Tony Hall working on the Island, they are happy that he kept the school open. Stated that he sees that Mr. Hall has integrity and management skills to make Treasure Island a wonderful place.

Mr. Calvin Louie stated he was here to support Tony Hall. Stated that these allegations are unfounded and Mr. Hall is a man of integrity. Whatever he has done is for the interests of San Francisco and the TIDA Board.

Ms. Ann Yuey stated Tony Hall is doing a good job at Treasure Island. Stated she has attended many activities and parties on Treasure Island and there is a lot of good work and businesses going on over there.

Mr. Hanley Chan stated last Sunday he asked many people on Treasure Island at the Hurricane Katrina fundraiser about Tony Hall and the Island residents said the best thing that happened to Treasure Island was Tony Hall. Stated they feel the allegations against him are wrong and he hoped the Board could see that.

Mr. h. brown stated there is a group from the Mayor's Office who are on this Board not treating Mr. Hall with respect. Stated he is sure the Board has the votes to get rid of Mr. Hall, so they should just pay him his money and not smear him going out the door. Stated this development is about Lennar and John Stewart Company.

Rev. Ted Frazier stated he has known Mr. Hall for over 20 years and he has known Mr. Hall to be a man of great integrity and is concerned about the people of San Francisco. Stated he was concerned seeing the dysfunction at the Board last week. Stated this Board has a chance to make a difference to the people of San Francisco and Treasure Island.

Mr. Charles Kalish stated there is something strange going on with this Board. Stated Mr. Hall is an honest man who does what he says he will do.

Ms. Anne Janks, IFPTE Local 21, stated Local 21 represents a fair number of the TIDA employees. Local 21 supports TIDA as an employer of record, as do SFRA employees. Stated she is here to protect the rights of their members, including against allegations of impropriety made against TIDA employees.

Mr. Greg Schmidt stated he supports Mr. Hall and his staff. His rugby program rents a field at Treasure Island and staff has been proactive in finding a field for their program. Supports Tony and his staff for all the support they have given his programs.

9. Emergency Refuse Collection Findings and Extension

Executive Director Hall stated that TIDA staff is finishing an RFQ package for refuse collection. The extension allows for this RFQ process to be completed while maintaining refuse service on Treasure Island in the meantime.

Director Blumenfeld thanked TIDA staff member Marc McDonald for his hard work on this issue. Stated that so residents know, the City is going through a rate making process starting July 1, 2006. When Treasure Island becomes part of the City those rates will apply to Treasure Island residents as well.

Director Po-Rufino asked if this extension was extending the existing rates.

Mr. McDonald stated this was extending the current rates and current service.

There was no public comment on this item

Director Rosen motioned for approval of this item

Director Blumenfeld seconded the motion

The resolution was approved unanimously

10. Authorizing of EDA Grant for Treasure Island Causeway Study

Executive Director Hall stated this is a simple disbursement of grant funds to study the causeway, as directors know the infrastructure on Treasure Island is falling apart so this is a timely grant. Jack Sylvan has been working on this issue.

Director Rosen asked if this was a previous grant that had some implementation problems Mr. Jack Sylvan, Mayor's Office of Base Reuse, stated information has been presented to the Board previously at a previous level of the development process where it was premature to spend the money. Now, staff and the EDA have determined the time is right for this study.

Director Rosen asked if this contract will be led by Department of Public Works. Mr. Sylvan stated qualified pools through other departments were utilized with selection assistance from DPW's geotechnical engineers as well as the developers engineers. DPW provides the administrative services and TIDA works with the Mayor's Office of Base Reuse to oversee the project. The EDA disburses the funds to TIDA who in turn disburses the funds to DPW for administration of the contract.

Director Rosen stated the memo states that Mayor's Office staff with assistance from the Authority and DPW staff will manage the consultant team. Asked Mr. Hall if that was his understanding as well.

Executive Director Hall stated his understanding is the Authority will be responsible with help from the Mayor's Office team.

Mr. Sylvan stated that he and Marc McDonald have a good working relationship and working together should not be a problem.

Director Cheng asked when this study was projected for completion

Mr. Sylvan stated the estimate from contractors is approximately six months. Stated the work done under these contracts will become part of the larger infrastructure plan for redevelopment.

There was no public comment on this item

Director Po-Rufino motioned for approval of this item

Director Rosen seconded the motion

The resolution was approved unanimously

5. TIDA as Employer of Record for Authority Staff

Director Cheng thanked all interested parties for their previous public comment at the meeting on the 14th. Stated a month-to-month, up to 6 month extension of the Agency Agreement with the San Francisco Redevelopment Agency has also recently been approved.

Director Rosen stated the Agency Agreement was approved by the Redevelopment Agency Commission the previous night. Stated she is recusing herself from discussion and action on this item. Requested that on future agendas continued items should be stated as such on the agendas.

Director Blumenfeld stated the key issue for him what is important to understand “who does what”. From his perspective, the TIDA staff is doing a great job at constituent affairs and operations on the Island are going well and the residents are seeing increased services and this is good. Stated it is clear to him that the lead agency for negotiating with the developer and the Navy is the Mayor’s Office of Base Reuse in the person of Michael Cohen. Stated the Board needs to clearly articulate when Executive Director Hall and his staff are involved and when they are not. Stated there needs to be a clear delineation of function. Stated he has had discussions with Executive Director Hall about the job description. Asked City Attorney Choy if the job description with classification for Executive Director Hall and his position is what the Board agreed to.

Mr. Choy stated there is no job description attached to the actual employment agreement. The agreement reflects the bylaws which says the Board has the power to prescribe powers and duties of its employees.

Director Blumenfeld stated there is an absence of job description, which makes the Board’s performance review difficult.

Executive Director Hall stated this job description attached to his material was forwarded to him from the Mayor’s Office and he went over it clearly with the Mayor’s Office before taking the Executive Director job.

Director Blumenfeld stated there needs to be clarity in the responsibilities since the Mayor’s Office of Base Reuse is doing a good job and seem to work well with TIDA staff. Suggested the Controller’s Office come in and do a review of organizational charts and roles and responsibilities in order to regain public trust. Stated this review would lead to clarity in the public mind and eliminate future confusion. Proposed a fiscal and management audit as a good way to move forward.

Director Po-Rufino asked if there is a sunset for TIDA as an agency.

City Attorney Choy stated there is no time limit under organizational documents for the Authority.

Executive Director Hall stated after the allegations from the Controller he does not think the Controller’s Office would be the proper entity to conduct such an audit. Stated that the job description he received is the description that he has worked under for the past year, and all development transaction documents must have his signature.

Director Franklin stated that this independent review is an excellent idea. Stated that 3 aspects should be called for. A review to address the Controller’s letter, a review of financial controls

and fiscal management practices front to back in order to be transparent, and a management review specifically addressing issues raised by the Board such as TIDA's global roles and responsibilities and how to deliver those services in an efficient manner.

Executive Director Hall stated he has no problem with the proposed audit but suggested this audit be done by an independent outside agency. Stated that with the question of overall responsibility, he has been hired and encouraged by the Mayor to do a certain job, and if there is any midstream change to that responsibility he is pretty sure if it went down that path that it would lead to a legal remedy.

Director Franklin asked what is the proper procedure for approving this based on what is already on the agenda.

Deputy City Attorney Choy stated this item is relevant to the current item. The Board can calendar this item from after the audit report is received in order to determine how to proceed with this item.

Director Blout suggested continuing the component parts of this item until the report is completed.

Director Cheng stated she understands Executive Director Hall's concerns regarding an audit being done by the Controller's Office and wants to make sure the Board takes this into consideration as well. Stated that she feels that maybe this entity should not be the entity to review the validity of their own observations. Asked if focus should be on management and financial and control policies in Controller's audit and not the issues raised in the letter.

Deputy City Attorney Choy stated that for clarity the President may want to direct one of the officers to write a letter to the Controller's Office requesting this service.

Executive Director Hall stated that again for the record he looks forward to this management audit but feels that it cannot be done in an unbiased fashion by the Controller's Office and again requests an independent outside audit.

Public Comment

Ms. Anne Janks, IFPTE Local 21, stated that because allegations have been made against members of Local 21 they would like to be involved in this audit.

Director Franklin motioned for the Board to continue Item 5 and request the Controller to conduct an audit of TIDA's practices regarding a thorough review of fiscal controls and management, the issues addressed in the Controller's letter of September 14th and a management audit addressing the most efficient structure to deliver TIDA's roles and responsibilities.

Director Blout seconded the motion

The motion was approved 5 – 0 with one abstention and Item 5 was continued
Ayes: Cheng, Po-Rufino, Blout, Blumenfeld, Franklin

Noes: None
Abstain: Rosen

6. General Procedures and Standards for Evaluation of the TIDA Executive Director

Director Cheng stated that she understands that Executive Director Hall has been performing his job responsibilities with the understanding that they were based on a certain job description which is not incorporated in the employment agreement. Regardless of this, under the TIDA bylaws the Board can prescribe job responsibilities for any of their employees. This is the reason she would like to establish a Management subcommittee of the TIDA Board in order to review the pending management audit as well as to make recommendations to this body as to procedures and standards for evaluation for the future. Would like discussion of this idea during this item.

Director Rosen stated she has concern about discussing this in open session today because some of the discussions have centered around a draft job description provided to the Board by Executive Director Hall last week. Stated that if she heard Mr. Hall correctly, after advice from the City Attorney that the job description was not part of the employment agreement and did not hamper creation of a job description, Mr. Hall discussed potential legal ramifications. Suggested a closed session with the City Attorney to discuss the full range of this issue before a public discussion of the Board that may lead the Board further down a path towards possible litigation, which she stated is a course no one wants. Asked City Attorney Choy for advice on how to proceed.

Deputy City Attorney Choy stated it seems the Board would like this item continued until it has had a chance to be briefed in closed session about potential litigation. Stated that for a point of clarification, item 6 is only about the performance evaluation.

Director Rosen stated her concern is that other Directors have stated their view that there was an interrelationship between the job description and performance evaluation. She is concerned about having a discussion that interrelates those two, generally a job description comes up under "procedures and standards". Does not want any further discussion that leads down the wrong path without the Board being briefed about the ramifications of these issues in a closed session. Stated she understands the pending litigation is a different item under the Brown Act.

Director Franklin stated he supports continuing Item # 6

Director Cheng stated she supports continuing this item. Asked if the management committee could be considered at this meeting.

Deputy City Attorney Choy asked for clarification on the intent of the management committee as it relates to the review of the Executive Director.

Director Cheng stated she would like this committee to review and provide recommendations on the management audit as well as work on formulating policies for the future.

Deputy City Attorney Choy stated the guidelines of this item are outside the scope of what Director Cheng is looking to establish.

Director Cheng requested an action item on the next month's agenda establishing a management committee of the Board of Directors.

Executive Director Hall stated the next item deals with performance evaluation which should not be hinged upon this discussion, as performance evaluation is a yearly contractual obligation.

There was no public comment on this item

Director Cheng motioned for continuation of this item

Director Blout seconded the motion

This item was approved unanimously

7. Performance Evaluation of TIDA Executive Director Tony Hall (Possible Closed Session)

There was no public comment on this item

Director Blout stated in light of the previous discussion this item should be continued as well. Stated he does not think that the Board could get advice on the matter Director Rosen raised earlier without violating proper public notice. Motioned to continue this item. Asked for clarification from the City Attorney.

Deputy City Attorney Choy stated the way Item 7 is calendared it does not fall into the previously discussed subject matter pertaining to closed session threatened litigation.

Executive Director Hall stated his preference is this performance evaluation be done in open session.

Director Franklin requested continuation of this item

Executive Director Hall asked the City Attorney if this procedure was in compliance with the terms of his contract which calls for action on a yearly review at this time.

Deputy City Attorney Choy stated the employment agreement calls for an annual review of his performance and compensation. There are no specific dates and the Board is commencing the conduct of this and if continued to next month should be sufficient.

Director Cheng stated she does understand the concern addressed by Executive Director Hall. Stated she hopes this can be accomplished next month.

Executive Director Hall stated that for clarification the employment agreement, in Paragraph 4, reads that "after July 1st Hall shall be entitled to a minimum a yearly cost of living increase, an incentive bonus under criteria set by the Authority and any further increase approved by the Authority." Stated that to him the Board has to do something to evaluates these terms.

Director Cheng stated that she wants to be responsible to the employees. IN the next meeting there will be a closed session to discuss performance standards and after that closed session the

Board will be making the performance and salary evaluations. Obviously a considerations should be made of the issues in Item 4.

Executive Director Hall stated he requests that any action taken be retroactive to July 1, 2005 relative to an increase, per the intent of the contract. Also stated that the job description is not a draft, also wanted to clarify that the term of "threatened litigation" was never used, if a certain path is traveled by the Board it probably could lead to litigation, does not believe that is a threat.

Director Franklin motioned for continuation of Item 7

Director Blumenfeld seconded the motion

Item 7 was unanimously continued to the October 2005 meeting.

8. Annual Salary Review of Executive Director Hall

Director Rosen requested a copy of the salary materials distributed by Executive Director Hall.

There was no public comment on this item

Director Blumenfeld motioned for continuation of Item 8

Director Franklin seconded the motion

Item 8 was continued to the October 2005 meeting

11. & 12. TIDA Website

Director Cheng stated she has expressed an interest in making accessibility to the website better. It is tough to find the TIDA site on the web, especially when it is a good vehicle to promote the Island and provide transparency. Other City departments have their own independently hosted website and are quite successful.

Mr. Peter Summerville, TIDA staff. Stated that TIDA's current website address is an offshoot of the City's standard "sfgov.org" sites. An issue with this is it is tough for people who don't know to get right to the Treasure Island site to find it using search engines such as Yahoo. The point is that having more of a branded website increases the ability of the public to access the public information and learn more about housing, commercial venues and special events venues. Having an individual domain address would allow the Authority flexibility for hosting by an outside company and eventual redesign of the site. Currently the TIDA site has to conform to the template standard to SFGov sites. The purpose of the two resolutions was to offer the Board two separate ways to go about this determination process of how to proceed. Prices are standard for purchase of a domain and monthly hosting charges. Redesign of a website is client specific cost.

Director Cheng asked Director Blumenfeld what the general costs were for the Department of the Environment website design.

Director Blumenfeld stated that one can get a website to do just about anything if you can pay for it. Hosting is very inexpensive. Two biggest expenses are keeping the design current and adding content. Website should be serving the people on the Island. The first step should cost about \$20,000 to start and about \$10,000 a year to keep things current.

Director Rosen asked if the Board is being asked to consider approving either the RFQ process resolution or the other resolution.

Mr. Summerville stated this was correct. The Board was given both options because the RFP/Q process is such a formal process that staff wanted to give the Board a second option to consider which would be more informal discussion.

Director Rosen stated that an RFQ process allows competition in the favor of the Authority and that if staff is recommending an RFQ process the Board would be happy with that because it allows for selection of a contractor who can then work with staff to formulate a specific plan, at a specific cost, for the TIDA site.

Mr. Summerville stated that if the amount provided by Director Blumenfeld was comparable to what TIDA would be paying is available in monies in the approved or future budgets for TIDA.

Public Comment

Ms. Ruth Gravanis stated that she thinks the website is actually pretty good. Requested that background TIDA materials be provided on the site in the future. Requested that any future TIDA site be user friendly and not be too tough to use. Not everyone has high speed internet and lots of photos and graphics and colors make access tough. Encouraged staff to remember that form follows function as well as review current content on the site for accuracy.

Director Blumenfeld motioned for approval of Item 11

Director Rosen seconded the motion

Item 11 was approved unanimously

Director Blout motioned to vote down Item 12

Director Cheng seconded the motion

Item 12 was rejected unanimously

Director Cheng requested further information on promoting access in the meantime while the RFQ process is being formulated

Mr. Summerville stated he would like to hear if any Board members had suggestions for new domain addresses

13. Discussion of Future Agenda Items by Directors

Director Blout requested information on how the monthly agenda is set

Deputy City Attorney Choy stated there is no express provision in the bylaws as to how the agenda is set. Historically the agenda is set through discussions by the President and the Executive Director.

Director Blout requested clarification and memorialization of who is the final person to sign off on the agenda. Stated he wanted to make sure who was the final arbiter of the agenda content.

Director Cheng requested that Directors be solicited for input on agenda items in the future.

Director Cheng stated that Supervisor Daly has called a public hearing on Treasure Island on September 26th at 1:00 PM in City Hall Room 263.

14. Adjourn

Director Cheng motioned for adjournment

The meeting was adjourned at 4:17 PM



